

DAILY REPORT

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XINHUA ON U.S.-SOVIET SUMMIT ANNOUNCEMENT

OWO40128 Beijing XINHUA in English 0115 GMT 4 Jul 85

[Text] Washington, July 3 (XINHUA) -- The White House formally announced today that U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev will meet in Geneva from November 19 to 20 for the first summit between the two superpowers in more than six years.

Announcing the long anticipated meeting at a news briefing this afternoon, White House spokesman Larry Speakes quoted Reagan as saying he looks forward to it as "an opportunity to chart a course for the future" of the relationship between the two countries.

At a press conference later today, U.S. Secretary of State George Shultz said the summit is designed "to lay the basis for practical steps to improve U.S.-Soviet relations." Both Reagan and Gorbachev "would like to see a more constructive relationship to emerge from the meeting," he added.

Shultz said he expects to meet the new Soviet foreign minister twice between now and November to help prepare for the talks. "We will not have a situation where two people just get together and say hello with no preparation," he added.

However, the secretary of state expressed his cautious outlook for the talks, saying that he didn't expect to measure progress in the talks with "a scorecard for success." Other officials of the Reagan administration also cautioned against expectation for any early breakthroughs in the critical area of the arms control talks between the two countries.

The relations between the Soviet Union and the United States have become more strained recently because of the deadlock in their Geneva arms control talks. Gorbachev warned last week that the Soviets would "reassess" their participation in the negotiations if the United States continued "marking time."

PRC REPRESENTATIVE TO UN COMPLETES TERM

OWO42034 Beijing XINHUA in English 2014 GMT 4 Jul 85

[Text] New York, July 4 (XINHUA) -- Ling Qing, Chinese permanent representative to the United Nations, left here today for home at the end of his tenure in office. Seeing the Chinese ambassador off at Kennedy Airport were Huang Jiahua, deputy permanent representative of China to the United Nations and some Overseas Chinese of the New York City.

Last Friday evening, the ambassador held a farewell reception at the residence of the Chinese Mission. Some 500 guests were present on the occasion, including Paul Lusaka, president of the U.N. General Assembly; Cyrus Vance, former U.S. secretary of state; and Professor Lee Tsung-dao, a Chinese American Nobel Prize winner.

Last month, Ling Qing called on Secretary-General Javier Perez de Cuellar at the U.N. Headquarters and the secretary-general gave a farewell luncheon in honor of the Chinese representative.

WORLD BANK FUNDS SHANXI COAL MINE PROJECT

OWO41810 Beijing XINHUA in English 1529 GMT 4 Jul 85

[Text] Taiyuan, July 4 (XINHUA) -- Development of a large underground coal mine with loans from the World Development Bank, the first project of its kind in China, started here yesterday.

The Changcun mine in southeast Shanxi Province, the country's biggest coal producer, has a designed annual capacity of four million tons and is expected to start production by the end of 1989.

Using loans of 126 million U.S. dollars from the bank, the new mine will be equipped with up-to-date imported facilities and become one of the most modernized mines in the country.

Foreign consultation companies will be invited by the World Development Bank through bidding to provide management services, according to Chen Dun, vice-minister of the Coal Industry Ministry.

The mine, with extractable reserves of 490 million tons, is the fifth largest underground mine under development in China. The preliminary design was made by the Shanxi Coal Mine Design Institute and the Mountain Consulting Company of the Rubrikohle Coal Company of the Federal Republic of Germany.

Shanxi Province turned out 187 million tons of coal in 1984, about one-fifth of the country's total.

MOST FIRMS WITH FOREIGN INVESTMENT PROSPERING

OW041808 Beijing XINHUA in English 1534 GMT 4 Jul 85

[Text] Beijing, July 4 (XINHUA) — Most of the Chinese enterprises established with foreign investment are making profits, and direct investment will be the focus in the near future.

This remark was made by Wei Yuming, vice-minister of foreign economic relations and trade, in an interview published in Monday's PEOPLE'S DAILY.

Eighty-eight of the 98 joint-venture enterprises which have already started business made profits of over 84 million yuan last year, according to a survey in eight provinces and municipalities.

Now, except for the Tibet Autonomous Region, enterprises with foreign funds have been set up in all the 28 provinces, municipalities and autonomous regions on China's mainland, Wei said.

The Chinese Government treats these enterprises the same as other enterprises, he said, and the policy is to make profits for both sides.

Investors come from 28 countries and regions, the vice-minister said.

The coastal provinces of Fujian and Guangdong in south China have absorbed more than half of the country's total foreign funds.

China has drawn from abroad funds amounting to 17.2 billion U.S. dollars over the past six years.

PRC LEADERS HONOR 4TH OF JULY; CELEBRATIONS HELD

Li, Zhao Greet Reagan

OW050614 Beijing in English to North America 0000 GMT 5 Jul 85

[Text] Chinese President Li Xiannian and Premier Zhao Ziyang have sent congratulatory messages to the United States to mark its Independence Day. The president's message says he is looking forward to meeting U.S. President Ronald Reagan during his upcoming visit to North America. Premier Zhao Ziyang's message says he hopes the visit by President Li Xiannian will help ensure the continued development of relations between China and the United States.

Hummel Hosts Celebration

OW040728 Beijing XINHUA in English 0714 GMT 4 Jul 85

[Text] Beijing, July 4 (XINHUA) -- The American Independence Day was celebrated today here at a reception given by U.S. Ambassador Arthur Hummel. Among the guests were State Councillor Ji Pengfei and Minister of Radio and Television Ai Zhisheng.

Celebration in Shanghai

OW050316 Shanghai City Service in Mandarin 0100 GMT 5 Jul 85

[Text] U.S. Consul General in Shanghai Brooks gave a reception on the afternoon of 4 July to celebrate the Independence Day of the United States of America.

LI PENG MEETS U.S. HOUSE COMMITTEE DELEGATION

OW031804 Beijing XINHUA in English 1502 GMT 3 Jul 85

[Text] Beijing, July 3 (XINHUA) -- Chinese Vice-Premier Li Peng met and had a friendly talk with Don Bonker, chairman of the Subcommittee of International Economic Policies and Trade of the Foreign Affairs Committee of the House of Representatives of the United States, and his party here today.

The U.S. visitors arrived here June 30 at the invitation of the Chinese People's Institute of Foreign Affairs for discussions on trade of timber and telecommunications equipment between the two countries. They are scheduled to leave for home tomorrow.

WANG BINGQIAN RETURNS TO BEIJING AFTER MEETING

OW041109 Beijing XINHUA Domestic Service in Chinese 1627 GMT 1 Jul 85

[Text] Beijing, 1 Jul (XINHUA) -- Wang Bingqian, state councillor and concurrently finance minister, returned to Beijing this evening after attending the fifth meeting of the Sino-U.S. Joint Economic Commission in the United States. He was greeted at the airport by responsible persons of departments concerned and American Embassy staff members.

XINHUA SAYS BUSH EUROPE TRIP YIELDED FEW RESULTS

OW041054 Beijing XINHUA in English 1033 GMT 4 Jul 85

["News Analysis: A Busy Trip With Few Results (by Lei Lili)" -- XINHUA headline]

[Text] Beijing, July 4 (XINHUA) -- U.S. Vice President George Bush flew home today at the end of a busy tour of seven West European countries without getting many results as he had expected.

His visit, although somewhat overshadowed by the seizure of 40 U.S. hostages in Beirut that diverted much of his attention, was mainly designed to draw European support for President Ronald Reagan's Strategic Defense Initiative, known as the "star wars" program, promote the planned NATO deployment of U.S. medium-range nuclear missiles and calm down the recently-erupted "spaghetti war" between the United States and its EEC trade partners.

However, as Bush concluded his visit which took him to Rome, Bonn, The Hague, Brussels, Geneva, Paris and London, he may find that his hosts showed no more interest than before in the SDI program.

In Bonn, Chancellor Helmut Kohl told Bush that his government had delayed until later this summer a decision on whether Bonn will take part in the project while France, the only major U.S. ally which outrightly opposes the SDI program, again refused to cooperate with the United States in the SDI. Instead, French Prime Minister Laurent Fabius told Bush that Washington should be aware of the necessity of building Europe and a strong Europe is in the interest of the United States. Even in London, British officials took the lead in pointing out what they perceive as possible drawbacks of the SDI program.

While the West European countries are somewhat indifferent toward the SDI they have been getting more and more interested in the "Eureka" project which they believe will strengthen their own defense and unity. Just during Bush's stay in Europe, 12 West European countries decided, at a summit meeting in Milan, Italy, to hold a 16-nation ministerial meeting to further the "Eureka" project.

The second problem Bush had planned to tackle with was to promote NATO's continuous deployment of U.S. missiles in Western Europe because Washington believes that the deployment will strengthen the U.S. position in the Geneva U.S.-Soviet arms control talks.

As the Netherlands is the only one of the five NATO nations designated to receive new U.S. missiles but still has not accepted them on its own soil, Bush pressed the Dutch Government for a definite promise of the deployment of its quota of 48 cruise missiles. However, he was told that he had to wait with patience for a final government decision to be made on November 1 when the Dutch Parliament takes a ballot on it.

Bush went to Europe also in the hope to smoothing the strained relations between the United States and its EEC trade partners, which have worsened recently as a result of Washington's decision to raise tariffs on EEC exported pasta. But what Bush received in Rome was strong resentment against Washington's decision. Italian Prime Minister Bettino Craxi told Bush that his country, which exports most of EEC pasta, was concerned over the U.S. decision and said that he had intended to enter a strong protest against the "protectionist" move.

Furthermore, just on the eve of Bush's arrival in Brussels to talk with EEC leaders on the recent "spaghetti war" between the two sides, EEC announced higher tariffs on imports of U.S. lemons and walnuts in retaliation against the United States.

In his talks with Bush in Brussels, European Commission President Jacques Delors made it clear that EEC would again respond with "tit-for-tat" measures if Washington threatened to follow up its recent tariffs on EEC pasta exports with other trade curbs.

Even Bush himself, while addressing the International Institute of Strategic Studies in London at the end of his 11-day European visit, acknowledged that there exists the danger of a new trade war between the United States and its EEC trade partners.

XINHUA VIEWS 'FALTERING' U.S. ECONOMY

OW031221 Beijing XINHUA in English 0849 GMT 3 Jul 85

["Round-Up: U.S. Economy Faltering (by Xia Zhaolong)" -- XINHUA headline]

[Text] New York, July 2 (XINHUA) -- The U.S. economy, now in the third year of the current recovery, is losing steam again and many forecasts put the annual growth rate at less than three percent for this year.

The government "flash" estimate of 3.1 percent growth for the second quarter, a big jump over the 0.7 percent for the first quarter, has not in any way brightened the gloomy picture.

One of the factors leading to this sluggish scenario is the declining the competitiveness of U.S. manufactured products on the world market. For instance, last year, the high-tech industry, a turf long dominated by the U.S. firms worldwide, sustained a trade deficit for the first time in history, approximately seven billion dollars. With 2.6 million employees, this sector is the largest segment of the country's manufacturing industry. It turns out a wide range of products, from semiconductors, computers to office automation equipment.

In traditional or "sunset" industries, the situation is much worse. Steel production, one of the pillars of the nation's economy in the past, dropped dramatically over the last five years. More than 200,000 workers have been laid off and 30 percent of the excess capacity shut down. Last year, imported steel accounted for 26 percent of the domestic shipments. The same is true with automobiles and textiles.

Problems facing U.S. Manufacturers include outdated equipment, poor management and high production costs. Many factories have turned to foreign partners for help. Today, Japan alone has some 500 plants in the United States, operating under various forms such as equity holder or joint venture. The workers at these plants total 100,000.

Foreign rivals have even carved a niche in the banking business under the nose of the U.S. bankers, according to statistics of the Federal Reserve Board, foreign bank loans to U.S. companies totalled 84.5 billion dollars in 1983, accounting for 18.3 percent of combined U.S. business loans. Foreign bank loans now make up more than 40 percent of the total issued by banks in New York State.

Alarmed by "foreign bashing", Martin K. Starr, a professor at Columbia University, warned U.S. entrepreneurs in a study paper that "American companies that are not worried about this are destined to become the next dinosaurs."

Many Americans now are pondering the question: Is the weakening U.S. global economic standing a short-lived aberration due to structural shakeup, or does it portend a long-term decline?

The economy is also plagued by the huge foreign trade deficit which hit an all-time high of 123.3 billion dollars last year. Commerce Secretary Malcolm Baldrige predicted last week the figure would exceed 140 billion this year.

Morgan Stanley and Co., a financial institution based in New York, noted that during the boom period of the present recovery from 1983 to the first half of 1984, the national economy grew at an annual rate of 7.2 percent, but that of imports at a staggering 29.3 percent.

This disproportionate trade was brought about largely by the overvalued dollar which, as a result, made imports into the U.S. cheaper and U.S. exports dearer.

Mounting debt is another hurdle standing in the way of U.S. economic advance. The United States, a creditor country since 1914, has now become a debtor nation, and by the end of this year, it will be crowned with a laurel of "super debtor power" of the world.

All told, the aggregated U.S. debt, both national and private, comes to six trillion dollars, almost twice the amount of the country's annual gross national product. The interest on the sum alone will be 500 billion to 600 billion dollars a year.

An increasing number of Americans have become worried about the heavy debt which, they say, puts the economy on a risky course. Paul Volcker, chairman of the Federal Reserve Board, pointed out the U.S. current trade deficit and extent of foreign borrowing "contain the seeds of their own destruction. The more you borrow, the more people become suspicious."

The present situation may improve if the Reagan administration gets the astronomical federal deficit under control. The deficit set a record of 175 billion dollars last year and will rise to 210 billion dollars this year.

To finance the deficit, the government has either to borrow overseas or on the domestic market, crowding out business and private borrowers. A rush for limited capital will drive up interest rates, re-create the strong dollar, which then will lead once again to the trade imbalance.

The Reagan administration is struggling for a low-deficit budget, but it will take time to make it work.

BANKER SEES PRC CITIES AS FINANCIAL CENTERS

OW032241 Beijing XINHUA in English 1646 GMT 3 Jul 85

[Text] Hong Kong, July 3 (XINHUA) -- "We see a number of Chinese cities as ripe for development into major financial centers," Stephen Hunt, Bank of America's senior vice president and Hong Kong area general manager, said here today.

Speaking at the bank's keynote report presentation on "financing China's economic developments", Hunt said Shanghai, Tianjin, Guangzhou and Beijing are such candidate cities.

Each of the four Chinese candidate cities has been a historical success as an important financial player, he said. "During the 1930s, Shanghai and Tianjin were important financial centers in the Asia-Pacific region, and Guangzhou was the leading entrepot in southern China.

"Although Beijing's emergence as a potential financial center was developed at a later date, it now has the presence of all banks in China. Also, all Chinese foreign trade corporations are headquartered there," he added.

He said his bank, which first began developing relationships with China in 1972, would like to be a part of the development process of China's financial centers and looked forward to contributing to its success.

Hunt held that foreign banks have both an opportunity and a duty to become involved in China. "They can provide sophisticated knowledge and methods of managing credit, liabilities, capital markets, payments services and foreign exchange," he said.

"China is not only a receptacle for investment. With proper financial management, she could herself become an enormous investor. The benefits to the global economy would be incalculable," he said.

PRC LEADERS CONGRATULATE SOVIET COUNTERPARTS

OW040708 Beijing XINHUA in English 0649 GMT 4 Jul 85

[Text] Beijing, July 4 (XINHUA) -- Chinese President Li Xiannian and Chairman of the Standing Committee of the Chinese National People's Congress Peng Zhen today sent a congratulatory message to Andrey Gromyko on his election as president of the Presidium of the Supreme Soviet.

The message says: "We sincerely hope that through mutual efforts, good-neighborly and friendly relations between China and the Soviet Union, two big neighboring countries can be established on the basis of the Five Principles of Peaceful Coexistence."

They wished Gromyko new success in his post. Chinese Foreign Minister Wu Xueqian sent a congratulatory message to Eduard Shevardnadze on his election as Soviet foreign minister.

SUPREME SOVIET ELECTS GROMYKO PRESIDENT

OW031612 Beijing XINHUA in English 1556 GMT 3 Jul 85

[Text] Moscow, July 3 (XINHUA) -- The 11th Supreme Soviet ended its third session here today after the election yesterday of Foreign Minister Andrey Gromyko as its president.

This is the first parliament gathering since Mikhail Gorbachev became general secretary of the Soviet Communist Party in March this year. During the two-day session the party chief was elected member of the Presidium of the Supreme Soviet.

Two of its vice presidents, Mikhail Yasnov and Peter Strautmanis, were replaced by Vladimir Orlov and Jan Vagris, parliament chiefs of the Soviet Republics of Russia and Latvia. 57-year-old party Politburo member Eduard Shevardnadze was appointed foreign minister of the Soviet Union.

Aleksandr Rekunkov, procurator-general of the USSR, made a report at today's meeting on enforcement of state laws, stressing the need to fight corruption and alcoholism in the Soviet society.

The deputies also discussed a report by Vice Premier Ziya Nuriyev on environmental protection problems. Several resolutions were reportedly adopted during the session.

PRC TO EXPAND TRADE WITH USSR BY 'BIG MARGIN'

HK031213 Shanghai SHIJIE JINGJI DAOBAO in Chinese 24 Jun 85 p 1

[Report by Shi Ling: "The Volume of China's Trade With the Soviet Union To Increase by a Big Margin"]

[Text] In 1986, our country will export 200 million meters of cotton cloth to the Soviet Union, more than 2 times the 60 million meters of cotton cloth exported there this year. Chinese cotton cloth, an authority concerned said, has always been marketable in the Soviet Union and Eastern Europe, and the export volume of cotton cloth has been steadily rising in recent years. China exported 17 million meters of cotton cloth to the Soviet Union in 1983 and 40 million meters in 1984.

In the past 2 years, the volume of China's trade with the Soviet Union and Eastern Europe and the volume of its exports to them have increased by a big margin. It is reported that this fall, China will sign a long-term economic and trade agreement with the Soviet Union. In this way, the volume of China's trade with the Soviet Union will rise from about 2 percent to 8 percent of the total volume of its foreign trade.

LI PENG MEETS JAPANESE NUCLEAR ACCORD GROUP

OW031823 Beijing XINHUA in English 1459 GMT 3 Jul 85

[Text] Beijing, July 3 (XINHUA) -- Vice-Premier Li Peng reiterated here today that China's cooperation with Japan in nuclear energy is solely for peaceful uses. He said this at a meeting with a Japanese delegation for negotiations on an agreement on peaceful use of nuclear energy, which is led by Hirofumi Mazuda, deputy vice-minister in charge of science and technology of the Ministry Of Foreign Affairs.

The delegation arrived here June 30 to attend the fifth round of Sino-Japanese negotiations on peaceful use of nuclear energy.

It is learned that new progress has been made during the past three days of talks held between the Chinese delegation led by Jia Weiben, commissioner of the State Science and Technology Commission, and the Japanese delegation. The first round of negotiations between the two countries was held in 1983.

XINHUA REPORTS ON JAPANESE TEXTBOOK REVISIONS

OW031933 Beijing XINHUA in English 1858 GMT 3 Jul 85

["Censoring of History, Social Affairs Textbooks Announced in Japan" -- XINHUA headline]

[Text] Tokyo, July 3 (XINHUA) -- History and social affairs textbooks for Japanese primary schools next spring will describe the Japanese invasion of China (1937-1945) as "aggression", according to a memorandum released July 1 by the Ministry of Education.

The document says that seven textbook publishing companies characterize the invasion of China as "aggression", while only two of them did so in the past. The number of publishers of textbooks which mention the Nanjing massacre (1937) has increased from the previous two to six.

Local press note that the Education Ministry has learned something from what happened three years ago when a handful of people in the ministry distorted historical facts and wrote off the Japanese militarist aggression against China and Korea. The move aroused widespread and strong feelings of indignation and protest in the two victim countries and other Asian nations.

However, the new approved texts fail to give historical facts of the Nanjing massacre as the draft texts do. The later note that "during the Japanese occupation in Nanjing, at least more than 100,000 Chinese, including defenseless women and children, were slaughtered." Instead, they merely say that "the Japanese troops killed many Chinese civilians in addition to Chinese soldiers during their occupation of Nanjing."

The Education Ministry explained that it is hard for school children to understand detailed facts, and that it is enough for them to remember the fact that many Chinese civilians had lost their lives.

The memorandum makes no mention of the results of the censorship concerning the crimes of the Japanese Unit 731 making bacterial experiments on the bodies of Chinese, the "Pingding Mountain incident" and the mass graves committed by the Japanese aggressors in China.

Nor does the ministry mention the results of censorship of history and social affairs textbooks for junior and senior middle school students as it did in the last two years. When asked, the Education Ministry officials merely said, "the Japanese people would fully understand the textbooks censored in accordance with the new criteria."

FURTHER ON HONG KONG BASIC LAW COMMITTEE

Interview With Hu Sheng

HK020757 Beijing ZHONGGUO XINWEN SHE in Chinese 0716 GMT 27 Jun 85

[Report by ZHONGGUO XINWEN SHE reporter Liu Zhaoyi: "I Have an Affection for Hong Kong -- an Interview with Hu Sheng" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 27 Jun (ZHONGGUO XINWEN SHE) -- The reporter went, as arranged to Hu Sheng's office, which is inside a quiet compound in a suburban area west of Beijing. Hu Sheng is one of the eight newly appointed vice chairmen of the Hong Kong Special Administrative Region Basic Law Drafting Committee. Naturally, our conversation began with Hong Kong.

"I have an affection for Hong Kong. I lived in Hong Kong twice. So I can call myself one who knows Hong Kong well," Hu Sheng said with a smile.

Smoking a cigarette, this gentle and cultivated scholar described with fervor and assurance his experience during his two visits to Hong Kong.

Mr Hu Sheng's hometown is in Zhejiang. He was born in Suzhou in 1918. His father was a teacher. When Hu Sheng was small, his father, who was then out of a job, personally taught Hu Sheng and his elder sister at home. Thus, before entering the Suzhou Secondary School, he had received only 2 years' formal primary education. Later, he entered the secondary school attached to Shanghai's Fudan University. In 1934, he was admitted to Beijing University, where he studied philosophy. He was only 16, the youngest in his class.

After the outbreak of the war of resistance against Japan, Hu Sheng, Qian Junrui, and others joined the Cultural Committee in the Fifth Theater of Operations, which was then under the command of Li Zongren, to do cultural and propaganda work. At one time he was the chief editor of Wuhan's EDEI RIBAO [6759 0554 2480 1032 -- NORTH HUBEI DAILY]. Later, he went to Chongqing to be the chief editor of DUSHU RIBAO [6236 2579 2480 1032 -- BOOK-LEARNING DAILY].

Hu Sheng first visited Hong Kong in 1941. In Hong Kong, he, Zou Taofen, and others founded the SHENGHUO [3932 3172 -- LIFE] magazine, DAZHONG SHENGHUO [1129 5883 3922 3172 -- LIFE OF THE MASSES], and some other periodicals. After the outbreak of the Pacific war, he and many other cultural figures left Hong Kong for Chongqing, where he worked with XINHUA RIBAO for many years.

In 1947, Hu Sheng visited Hong Kong the second time. He was the chief editor of the Shenghuo Publishing Company until he left Hong Kong in late 1948. During his rather long stay in Hong Kong, he wrote many articles. His "imperialism and Chinese Politics" was written and published in Hong Kong. This work has exerted great influence in China as well as in other countries. It has been translated into Russian, English, German, Spanish, and Japanese.

Today's Hong Kong, said Hu Sheng emotively after a short pause, is very different from the Hong Kong of 30 or 40 years ago. Many great changes have taken place. Commenting on the issue of drafting the basic law of the Hong Kong Special Administrative Region, Hu Sheng excitedly said that as a theoretician as well as a student of history, it gave him great pleasure to be able to take part in drafting the Hong Kong Special Administrative Region's basic law and that such a historical opportunity occurs only once in a thousand years.

One can say, Hu Sheng said, Hong Kong's basic law is the Hong Kong Special Administrative Region's "mini-constitution." This is a creation in the legal history of the world. Thus, we must make it a success. It has to be very realistic because it has a bearing on the life of the more than 5 million people in Hong Kong, on Hong Kong's prosperity, and on the country's stability. It is necessary to have imagination because the basic law has a bearing on the implementation of the idea of "one country, two systems."

The creative work of drafting the Hong Kong Special Administrative Region's basic law, said Hu Sheng with great confidence, has great significance for the world and for the country's four modernizations. There are many people from various quarters taking part in this work. By giving play to our wisdom, by comprehensively listening to the opinions of Hong Kong compatriots, by drawing on collective wisdom, and by devoting time and effort to it, we will be able to come up with an ideal draft and be able to rationally solve all the problems with which various parties are concerned. I believe we can find a way with which both the Hong Kong people and the people of the country can be happy.

RENMIN RIBAO Commentator

HK030633 Beijing RENMIN RIBAO Overseas Edition in Chinese 2 Jul 85 p 2

[Commentator's article: "A Glorious Mission of Historical Significance -- Greeting the Convening of the First Meeting of the Hong Kong Basic Law Drafting Committee"]

[Text] The first meeting of the Basic Law Drafting Committee of the PRC Hong Kong Special Administrative Region was held in Beijing on 1 July. The Basic Law Drafting Committee of the Hong Kong Special Administrative Region has formally started its work. Let us take this occasion to express our warm congratulations.

The promulgation of the Sino-British joint declaration on the question of Hong Kong has enjoyed the earnest support of the Chinese people including the Hong Kong compatriots and has won universal acclaim from world public opinion. Over the past 6 months, Hong Kong society has been stable and the economic activities have been brisk, thus presenting an inspiring situation. The joint declaration has officially come into effect. On 1 July 1997, 12 years from now, Hong Kong will return to the embrace of the motherland after being separated from the motherland for 1 and 1/2 centuries and the PRC will exercise sovereignty over Hong Kong. This will be a major event of treat historical significance!

There are many things to be done in the 12-year transition period, the most important of which is to draft the basic law. The current meeting is precisely the beginning of such work. The members will discuss how to carry out work in the future and have a preliminary exchange of views on the contents of the basic law.

In light of seeking truth from facts and proceeding in all cases from actual conditions, Comrade Deng Xiaoping concentrated the collective wisdom of the CPC Central Committee and put forward the concept of "one country, two systems." This idea has provided the guiding principle for satisfactorily solving the question of Hong Kong as well as opened up a feasible way for further realizing peaceful reunification. As a matter of fact, the drafting of the basic law for the Hong Kong Special Administrative Region means specifying in the form of law the PRC Government's policy over Hong Kong formed in accordance with the concept "one country, two systems."

The Basic Law Drafting Committee of the PRC Hong Kong Special Administrative Region is formed according to the resolution of the Third Session of the Sixth NPC. It is an organ especially set up for drafting the basic law. In line with the principle of safeguarding state sovereignty and maintaining the stability and prosperity of Hong Kong, its task is to draft the basic law according to Article 31 of the PRC Constitution and the relevant clauses of the Sino-British joint declaration and on the basis of extensively soliciting the opinions of the compatriots of all walks of life in Hong Kong.

The drafting of the basic law for the Hong Kong Special Administrative Region is a great project because there are no precedents to follow. Nevertheless, we must be aware that there are many favorable conditions for the drafting of the basic law. The relevant stipulations in the Sino-British joint declaration concerning the Chinese Government's principles and policies over Hong Kong have provided the grounds and laid the foundation for the drafting work. As the drafting committee is comprised of the representatives of all circles in the mainland and Hong Kong, there is no lack of outstanding and gifted people. The representatives from Hong Kong, accounting for two-fifths of the members of the committee, are familiar with the situation in Hong Kong and have wide-ranging connections with people of various circles in Hong Kong. It is beyond doubt that they will play a fine role in the drafting work.

The drafting of the basic law is a matter of interest to the people of the whole nation. The vast numbers of Hong Kong compatriots also place high hopes on the matter. The drafting of a basic law will be of far-reaching influence to Hong Kong's long-term stability and prosperity and to the successful accomplishment of the reunification of the motherland. It will also exert tremendous influence in the international arena. As long as we conduct thorough investigations and studies, adhere to the principle of democratic consultation, give full play to collective wisdom, and make concerted efforts, we will certainly be able to triumphantly accomplish this glorious mission of historical significance!

Committee Members Optimistic

OW031651 Beijing XINHUA in English 1543 GMT 3 Jul 85

[Text] Beijing, July 3 (XINHUA) — Members of the drafting committee for the basic law of the Hong Kong Special Region today expressed their belief that the work will be completed within four or five years.

The law is being formulated to ensure the prosperity and stability of Hong Kong after China resumes exercise of its sovereignty over the region in 1997, said committee member Rong Yiren, vice-chairman of the NPC Standing Committee and chairman of the China International Investment and Trust Corporation.

He made the remark following two days of panel discussions at the committee's first session. "It also provides the legal basis for the policy of 'one country and two systems' applied to Hong Kong," he noted.

Committee member Yue-kong Pao, chairman of Hong Kong's Worldwide Shipping Group, said that he believes that the meeting will be fruitful as participants have spoken their minds freely.

He was seconded by committee member Yong Longgui, a specialist in the international economy, who told XINHUA that the members had exchanged opinions in a happy and relaxed atmosphere.

Maria Tam, a lawyer and unofficial member of the Hong Kong Executive and Legislative Councils, said that there is enough time to discuss in detail the articles of the law.

She said she believes that the basic law will be satisfactory to people in Hong Kong, as its draft will be publicized and discussed by people all over the country.

Another committee member, Liu Yiuchu, legal consultant to many Hong Kong firms, regarded popular wishes as an important aspect in formulating a law which has to be not only acceptable to people in Hong Kong but also to international legal circles.

She stressed the need for investigation and research, and said that it is necessary to solicit views from people of all walks of life.

T.K. Ann Voices Concern

OWO41514 Beijing XINHUA in English 1439 GMT 4 Jul 85

[Text] Beijing, July 4 (XINHUA) -- The basic law for the Hong Kong Special Administrative Region, which is in the process of being drafted, should serve as a bridge linking and coordinating China's Constitution and other laws with laws now in force in Hong Kong.

T. K. Ann, a Hong Kong Industrialist and vice-chairman of the Hong Kong Basic Law Drafting Committee, said in an exclusive XINHUA interview today that the basic law for Hong Kong should neither be too long nor too complex, adding, "I don't think the basic law should be longer than the country's Constitution, which governs one billion people.

Ann, who is now here attending the first meeting of the Hong Kong Basic Law Drafting Committee, is the chairman of Winsor Industrial Corporation Ltd of Hong Kong.

As an industrialist, he said, he hoped more consideration should be given in the drafting of the basic law to economic issues. Political stability is no longer a problem as the policy of "one country, two systems" might be considered as having solved the problem, he said. However, he stressed, there could be no political stability without economic prosperity. This, Ann stated, should be made clear to all people now residing in Hong Kong, including foreigners.

The Hong Kong Special Administrative Region will be established in line with Article 31 of China's Constitution. The Sino-British joint declaration on Hong Kong provides that a basic law should be enacted, stipulating that after the establishment of the Hong Kong Special Administrative Region, Hong Kong's present capitalist system and life-style shall remain unchanged for 50 years. The basic law will be examined and adopted by the China's National People's Congress.

Nevertheless, Ann noted, it was no easy job to keep the situation of economic prosperity in Hong Kong. This is firstly because of the characteristics of Hong Kong's economy itself. As one of the banking and financial centers of the world, Hong Kong, where one out of every three workers is producing commodities for export, is heavily influenced by the economic situation of the world as a whole.

Speaking on "one country, two systems," the industrialist said, "the idea isn't really the introduction of a second system into the country, it's just the recognition of that system's existence within the country," and the fundamental values of socialism would not change.

During the 75-minute interview, Ann said that he had attended meetings in scores of countries, but he was particularly happy to be present at the current meeting.

After the meeting, Ann promised, he would solicit various opinions from among Hong Kong residents, particularly those who know Hong Kong quite well and celebrities who can voice valuable suggestions so as to help draft a basic law satisfying both the people on the mainland and in Hong Kong.

Members Meet PRC Leaders

OW050703 Beijing XINHUA in English 0700 GMT 5 Jul 85

[Text] Beijing, July 5 (XINHUA) -- Chinese party and state leaders Hu Yaobang, Deng Xiaoping, Li Xiannian and Peng Zhen met here today with the delegates to the current first meeting of the committee for drafting Hong Kong basic law. The leaders and the delegates had a picture taken together.

Deng Xiaoping told the delegates: "Your meeting has a good start." While shaking hands with one of the committee members from Hong Kong, Hu Yaobang said: "You are now composing the first Chinese reunification 'symphony.'"

The drafting committee was founded according to a decision adopted on April 10, 1985 by the Third Session of the Sixth National People's Congress. The 59 committee members include 21 from Hong Kong.

BANGLADESH PRESIDENT ERSHAD BEGINS VISIT

Leaves for Beijing

OWO40739 Beijing XINHUA in English 0715 GMT 4 Jul 85

[Text] Dhaka, July 4 (XINHUA) -- Bangladesh President Hussain Mohammad Ershad left here this morning for Beijing on a week-long state visit to China at the invitation of Chinese President Li Xiannian. Addressing a press conference at the airport before his departure, the president said, his visit, first-ever as the president, would strengthen the friendly relations between Bangladesh and China.

He said his talks with the Chinese leaders during the visit would cover all aspects of bilateral relations particularly in economic cooperation and cultural exchanges. Ershad said that he had visited China twice -- the first in 1979 as chief of Army Staff and the second in 1982 as chairman of Council of Ministers.

The 46-member presidential entourage includes Foreign Minister Humayun Rashid Chowdhury, Minister of Law and Justice and Religious Affairs A.K.M. Nurul Islam, other senior officials and businessmen. The president's wife Raushan Ershad is also accompanying him. Deputy Chief Martial Law Administrator and Chief of Navy Staff Rear Admiral Sultan Ahmad, Deputy Chief Martial Law Administrator and Air Chief Air Vice Marshal Sultan Mahmud, and other high-ranking officials and officers were present at the airport to see the president off.

Li Xiannian at Arrival Ceremony

OWO41234 Beijing XINHUA in English 1217 GMT 4 Jul 85

[Text] Beijing, July 4 (XINHUA) -- Bangladesh President Hussain Mohammad Ershad was given a red-carpet welcome at a ceremony held at the Chinese Government this afternoon two hours after his arrival here. Lt. General Ershad, who had visited China in 1979 and 1982, is paying a six-day official, good-will visit to China in his capacity as the president at the invitation of the Chinese President Li Xiannian. President Li Xiannian presided over the ceremony held on the eastern plaza outside the Great Hall of the People.

As the Bangladesh president and Mme. Ershad arrived on the scene in the company of Communications Minister Qian Yongchang, chairman of the government reception committee, President Li and his wife Mme. Lin Jimei warmly shook hands with them. Two youngsters presented the distinguished guests with bouquets.

When President Ershad, accompanied by President Li, stepped onto the podium, a 21-gun salute was fired amid the national anthems of the two countries. Ershad was then accompanied by Li Xiannian on an inspection of the guard of honor formed by men of the three services of the Chinese People's Liberation Army.

Over 300 youngsters gathered on the plaza waved greetings to the visiting Bangladesh president. Among those present on the occasion were Wu Xueqian, Chinese state councillor and foreign minister and Xu Huizi, deputy chief of the General Staff of the People's Liberation Army.

Li Xiannian Hosts Banquet

OWO41646 Beijing XINHUA in English 1614 GMT 4 Jul 85

[Text] Beijing, July 4 (XINHUA) -- Chinese President Li Xiannian said here tonight that it was the Chinese Government's firm policy to continue strengthening its friendship, solidarity and cooperation with Bangladesh. He was speaking at a banquet he gave for the visiting Bangladesh President Hussain Mohammad Ershad and Begum Raushan Ershad.

Li extended warm welcome to President and Begum Ershad, and paid tribute to the president for his significant contributions to the growth of Sino-Bangladesh friendship.

Li said: "We are glad to see that under the leadership of President Ershad and the Bangladesh Government, the Bangladesh people have scored many achievements in developing industrial and agricultural production and building up their country. In the last two years or so, President Ershad has worked unremittingly to promote unity and stability in the country."

Li praised Bangladesh for pursuing an independent and non-aligned foreign policy, upholding justice, opposing expansion, aggression and power politics and working to develop friendly relations with other countries, thus playing a positive role in international affairs.

Being the initiator of the South Asian regional cooperation, he said Bangladesh has consistently worked for improving and developing relations with its neighbors. The first summit of South Asian countries to be held this year in Bangladesh capital of Dhaka will be an event of great significance in South Asia, he added.

He stressed: "The Chinese people cherish most friendly sentiments towards all the South Asian peoples, and the Chinese Government has all along committed itself to consolidating and developing friendly and good-neighborly relations with the South Asian countries. It is our sincere hope that the countries in the region will live in harmony and strengthen cooperation with one another so as to bring benefit to their peoples and maintain peace and stability in the region."

The Chinese president said: "To strengthen solidarity and cooperation with other third world countries is a cornerstone of China's independence and peaceful foreign policy. We firmly support the developing countries' just struggling for maintaining the national independence and safeguarding national rights and interests and stand for reforming the existing unjust and inequitable international economic order. At the same time, we believe that the South-South cooperation between developing countries is of important immediate significance. China is ready to develop multi-form economic relations with other Third World countries on the basis of the four principles of 'equality and mutual benefit, stress on practical results, diversity in forms and attainment of common progress'."

"There exists a profound traditional friendship between our two peoples," he said. "The past decade witnessed the steady consolidation and development of the Sino-Bangladesh friendly relations and cooperation."

President Li concluded by saying: "It can be predicted that with the joint efforts of the two sides and on the basis of the Five Principles of Peaceful Coexistence, Sino-Bangladesh cooperation in the political, economic, trade, cultural and other fields will become even closer and more fruitful in the forthcoming decade."

In reply, Ershad spoke highly of Bangladesh-China friendship. He said: "Over the years, our friendship has been reinforced and fortified by our shared outlook, common aspirations and commitments, and above all, by our belonging to the Third World."

He said that the relations between Bangladesh and China had manifested a promising growth since the establishment of diplomatic ties. "The conclusion of a number of agreements has enabled us to forge mutually beneficial cooperation in various fields," he added.

Ershad said: "We are making unremitting efforts to reach the fruits of political freedom through economic emancipation. The natural calamities -- cyclones, floods and droughts -- that have befallen Bangladesh, have not been able to make any dent in our determination to build a freer, fuller and brighter future for our people."

He went on: "As friends and neighbors, we have noted with admiration the significant progress achieved by the Chinese people. We congratulate the Chinese leaders on their successes in advancing the cause of socialism with indigenous characteristics, in attaining greater unity, stability and democratisation, in promoting younger leadership talents, in providing an important role for the intellectuals in the society, in securing an unprecedented economic growth through implementation of a pragmatic policy, and in continuing and accelerating the process of socialist modernisation on the basis of self-reliance and opening to the outside world."

Referring to Bangladesh's independent and non-aligned foreign policy, he said: "Both Bangladesh and China are committed to the principles and objectives enshrined in the UN Charter and hold similar views on major problems and issues affecting the world today. This has contributed to their meaningful cooperation in the international fora for the realization of their shared ideals of peace, security, stability and progress in the region and the world."

Ershad also stressed the importance of South-South cooperation and appreciated China's interest and efforts in promoting cooperation among the Third World countries.

He said: "Bangladesh's unremitting efforts to create an atmosphere of goodwill, trust and mutual understanding in her own neighborhood through an institutionalized regional cooperation among the seven South Asian countries have produced the most gratifying results so far. We are confident that the first South Asian regional summit to be held in Dhaka on December 7 and 8, 1985 will be a momentous event in the history of cooperation in our region and significantly contribute to the improvement of the quality of life of one thousand million people. We deeply appreciate China's consistent support for South Asian regional cooperation."

Ershad said he had come to China with the objectives of meeting old friends, making new friends, and exchanging views with the Chinese leadership on major regional and global problems and issues as well as on further deepening and widening bilateral relations.

He said he was confident that Bangladesh and China had been and would continue to remain good and trusted friends.

Present at the banquet were Lin Jiamei, wife of the Chinese president; Yan Jici, vice-chairman of China's National People's Congress Standing Committee; Wu Xueqian, state councillor and foreign minister; Qian Yongchang, minister of communications; Ling Yun, minister of state security; and Wu Wenying, minister of textile industry.

Also present were President Ershad's entourage, including Justice A.K.M. Nural Islam, minister for law and justice, and Humayun Rashid Chowdhury, minister for foreign affairs.

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PRC INTERNATIONAL AFFAIRS
SOUTH ASIA

Zhao on U.S.-USSR Summit

OW050900 Beijing XINHUA in English 0749 GMT 5 Jul 85

[Text] Beijing, July 5 (XINHUA) -- Chinese Premier Zhao Ziyang today welcomed the prospect of a U.S.-Soviet summit in November and said it could help improve the international atmosphere. Zhao made these remarks during his talks here with visiting Bangladesh President Hussain Mohammad Ershad.

Both the resumption of the Geneva nuclear disarmament talks and the scheduled meeting of the leaders of the United States and the Soviet Union could help improve the international atmosphere, he said. But, the Chinese premier warned, it would not be easy to make substantive progress. However, he said, dialogue is better than no dialogue and meeting is better than not meeting.

Zhao, Ershad Hold Talks

OW050948 Beijing XINHUA in English 0933 GMT 5 Jul 85

[Text] Beijing, July 5 (XINHUA) -- Chinese Premier Zhao Ziyang today described the Sino-Bangladesh relations as that of "mutual trust, equality, and close cooperation." During his three-hour talks with the visiting Bangladesh President Hussain Mohammad Ershad in the Great Hall of People, he said it was one of China's established policies to develop friendly relations with Bangladesh.

The two leaders expressed their satisfaction over the continuous development of bilateral friendly relations. Ershad said his country had always attached great importance to its friendship with China. He thanked China for its aid to Bangladesh.

The two leaders exchanged views on Sino-Bangladesh economic cooperation and shared the desire to expand bilateral trade and explore the possibilities for conducting cooperation in the forms of joint-venture and technological transfer in a bid to promote South-South cooperation.

Ershad informed Zhao of the progress which South Asian countries had made in promoting regional cooperation. Zhao expressed his appreciation for Bangladesh's efforts in this regard and wished success to the summit meeting of seven South Asian countries scheduled for next December in Dhaka.

China had always treasured its friendly relations with South Asian countries and would never change its stand to support their independence, sovereignty and territorial integrity, Zhao said.

During the talks the two leaders also discussed major international issues on which they shared identical or similar views.

Ershad invited Zhao to visit Bangladesh at the time convenient to him and Zhao accepted the invitation with pleasure.

Taking part in the talks on the Bangladesh side were A.K.M. Nurul Islam, minister for law and justice; Humayun Rashid Choudhury, minister for foreign affairs; Faruq Ahmad Chowdhury, foreign secretary and A.Z.M. Enayetallah Khan, Bangladesh ambassador to China.

Present on the occasion on the Chinese side were Wu Xueqian, state councillor and foreign minister; Qian Yongchang, minister of communications; Liu Shuqing, vice-minister of foreign affairs; and Xiao Xiangquan, Chinese ambassador to Bangladesh.

XINHUA NEWSLETTER ON IMPROVING PARTY STYLE

OWO31301 Beijing XINHUA Domestic Service in Chinese 0821 GMT 1 Jul 85

["Newsletter" by XINHUA reporter Zhang Yanping: "Confidence and Hope -- Sidelights of the National Conference for Exchanging Experiences in Improving Party Style" — XINHUA headline]

[Text] Beijing, 1 Jul (XINHUA) -- A national work conference to exchange experience in improving party style was held in Beijing in midsummer. More than 300 participating representatives brought to the conference a message from the factories, villages, party and government offices, and schools across the country. The message said: Our party's style will certainly take a fundamental turn for the better and our cause has high hopes.

Large Numbers of Communist Party Members Stand Up to Unhealthy Trends

Some person described the unhealthy trends prevailing last year as something that "swept across" the land. As a matter of fact, these evil winds were not that strong. There were people who were engulfed by them, but large numbers of others were not. We were happy to know at the conference that large numbers of Communist Party members stood up to those unhealthy trends.

In the past few years, the Shanghai No 17 municipal cotton textile plant, an old enterprise manned by nearly 10,000 workers and "hit seriously" by the 10-year long domestic turmoil, has put on a new look as a result of the adjustment of leading bodies in the plant. Last year, random distribution of bonuses and supplies was almost "the order of the day" in many enterprises. The No 17 cotton textile plant, however, did not follow suit. Some of its workers sulked, saying that their plant was a big enterprise but stingy and complained that the plant director was "chicken-hearted" and "narrow-minded." There were rumors that the plant director would be transferred to another post and replaced by an open-minded director. A number of people in the next higher department suggested that the No 17 cotton textile plant should give free "work lunches" or some kind of allowance to the workers. These people presented themselves as "good men." Leaders at the plant, however, did not give in. They firmly stood up to this demand in order to uphold the national interest. To provide a free lunch to workers would cost the plant more than 1 million yuan annually which was beyond the capability of the plant. Besides, this could mean staging a comeback of the practice of "everyone eating in the same big pot" which was relied on by lazy persons to make a living. It ran counter to the orientation of current reforms.

The national work conference held in Beijing in midsummer heard reports on many incidents similar to that of the Shanghai No 17 municipal cotton textile plant. Members of the Daye nonferrous metal company's party committee never wavered in face of demands for "issuing a Western suit," "lunch allowances," "allowances and supplies for the Spring Festival," and "wage increases across the board." Their answer to those demands was "evil winds are not the will of the people at anytime" and "everything should be able to stand the test by history."

Party member-cadres relied mainly on the communist spirit of selflessness to stand up to evil winds. Qian Tingzhang, secretary of the Jingshan County party committee in Hubei, has a daughter who graduated from a middle school and was waiting for employment. Last year she took a worker's recruiting qualification examination and failed to pass it. A county department concerned was thinking of letting his daughter pass the qualification examination.

Knowing that the county department concerned would soon take action, Qian Tingzhang immediately wrote a letter to the county Discipline Inspection Commission, urging the commission to stop this wrongdoing. He said in the letter that only by stopping this action can we really contribute to the cause of our party.

Chen Genjia, deputy manager of the Zigui County building materials company in Hubei, was constantly lured in his official dealings by a number of supply sales and marketing departments with gifts presented to him by many people. To stop such temptations from taking place, he hung a sign on the door of his office and on that of his home. The sign read "Those who offer bribes are shameless, those who accept bribes are more ignominious."

Feng Risheng, a Communist Party member from Wonchong shipyard, has an uncle from Hong Kong who has returned to an interior province to set up an industrial plant and offered him a position as the plant director's assistant with monthly pay as high as 500 yuan. Feng rejected his uncle's job offer. His answer to a person's question to why he refused the job offer was "I am a Communist Party member."

"I am a Communist Party member" is not a slogan, but a statement to bare one's heart. For a true Communist Party member, the ideals of communism, the CPC's purpose of serving the people, party spirit, and party discipline are above everything else.

Properly Carry Out Reform and Correct Party Style -- Two Wheels of a Vehicle

The relation between reform and correcting party style was an issue of common concern at the conference. This has long been a controversial issue in society: Some said that reform is everything, and that if reform has been properly carried out, party style will naturally turn for the better. Some said that improved party style can bring about good effects in reform. Some also said that the unhealthy tendencies are a result of reform, and so on and so forth.

Representatives at the conference held discussions, analyses, and studies on the above issues through integrating practice by the respective localities and departments. They unanimously held that properly carrying out reform and correcting party style are the two wheels on the vehicle of the four modernizations. They complement each other and will not work without the other one.

Hui Xiquan, secretary of the Shanghai No 17 municipal cotton textile plant party committee said: At the start of the reform, some people have erroneously equalized reform by getting more money for the individuals. As a result, those who are young and strong hope for reform while those who are old and weak resent reform. Some party members also become calculating about work and reward. These circumstances have brought to the attention of the plant party committee that in reforming the economic structure, it is important to concomitantly correct the party style or else reform cannot be smoothly carried out. For this reason, the plant party committee, in tandem with reform, conducted education in "strengthening party discipline and improving party style in the course of reform." The plant party committee secretary and director personally gave party lectures, stressed the significance of reform and the importance of the party's ideals and purposes, and placed emphasis on party discipline and spirit. Consequently, the general mood of the plant's party members has been greatly improved over the past year and more, reform has progressed smoothly and marked economic results have been scored.

The above case applies not only to factories, but to the rural areas as well. Dwelling on this issue, Li Zhongxiao, secretary of Shaanxi Province's Wuqi County party committee, expressed his deep feelings.

Located in the great northwest, Wuqi's natural conditions are poor and the production level is low. Prior to the 3d Plenary Session of the 11th CPC Central Committee, the people in Wuqi County ate "resold grain" year after year, and the average per-capita income was around 30 to 40 yuan annually. Since the adoption of reform, the county implemented the joint household contract system as its main form of production responsibility system, and thus greatly improved its economic situation. At the same time, unhealthy tendencies emerged in some units. Some people shook their heads to show disapproval of reform. They argued that "to enliven the economy, party style would be difficult to improve." They maintained that either we let alone the unhealthy tendencies or slow down the tempo of reform. The county party committee held an enlarged standing committee meeting to first study the decision of the CPC Central Committee on reform of the economic structure, and the guidelines of the speech by Comrade Chen Yun which stressed that party spirit and party discipline must never be "relaxed" in the course of reform. Consequently, the meeting affirmed that reform must be continued, and that the party style must be resolutely corrected. The unhealthy tendencies are not an inevitable outcome of reform. They are in fact a result of some people who seek to take advantage of the loopholes to sabotage reform. In the form of wired broadcasts, the county educated all party members on party spirit, discipline, and style. The county party committee also consolidated the problematic units. Consequently, party style has been improved and new developments have been scored in production. If party style is unhealthy, reform can hardly succeed. To correct party style is to ensure progress in reform. This has repeatedly been borne out by the experiences of the factories, mines, and the countryside in the various localities.

In the Face of Tomorrow, They Are Full of Confidence

In covering news of the conference, the reporters easily sensed the representatives' concern for the existing problems in party style.

Some comrades said: "Marked success has been scored in the work to improve party style. However, there is still a great distance before reaching our goal, and we still have voluminous work to do."

Some comrades on the industrial and transport front said: "Not long ago, some units, in rectifying unhealthy tendencies, adopted a relaxed attitude, and thought that the problems would go away by themselves some day."

"The quality of the ranks of party members must be further improved." More comrades sensed the imperativeness of this issue. Surely, a communist with a strong sense of responsibility toward the party's cause cannot help but show concern. At the same time, the reporters also deeply sensed that the same communists are full of confidence in the face of tomorrow.

Li Zhongxiao, secretary of the Wuqi County party committee, said: Seeing that the whole party is making all-out efforts to improve the party style, I am greatly inspired. The Chinese revolution has always advanced along a tortuous path. Notwithstanding the many existing problems at present, party style can surely achieve a fundamental turn for the better so far as we continue our efforts.

Wang Boxiang, deputy secretary of Shandong's Shouguang County party committee, said: The overwhelming majority of party members and cadres are very good, and loyal to the party's cause. They loathe the unhealthy tendencies. To correct party style is the common wish of the ranks of party members and cadres. The will of the people is not to be underestimated. In view of the great resolve of the CPC Central Committee, party style can surely be improved.

At the conference, a veteran comrade of the Central Advisory Commission told reporters that in preparing for this conference, they went to many places to understand the situation, and collected a large quantity of materials. This material is very touching. When the unhealthy tendencies ran amuck last year, a large number of party organizations, party members, and cadres resolutely resisted the unhealthy tendencies. The representatives attending this conference are only a small portion of them. This testifies to the will of the people and the will of the party.

The conference conveyed to the representatives the warmth of the earth. In his written speech to the experience-exchange conference on correcting the party style, Comrade Chen Yun pointed out: "We must enable all comrades of the whole party to understand that we are working on the socialist cause, and our ultimate goal is to attain communism." Communism is a lofty conviction to which every communist is resolved to devote himself on the first day of becoming a Communist Party member. The party has traversed 64 years of trials and hardships. She will continue to brave the storms until realizing her ideals one day, because she has tens of millions of outstanding sons and daughters who are loyal to their conviction.

GOVERNMENT WORKERS TO RECEIVE PAY INCREASE

OW051016 Beijing XINHUA in English 1007 GMT 5 Jul 85

[Text] Beijing, July 5 (XINHUA) -- The nearly 20 million people working for the Chinese Government and institutions will get pay increases beginning this month as the latest wage reform gets under way.

The new scheme, termed a "structural wage system," breaks each employee's wage into four parts, the basic wage, that derived from specific duties, the service length allowance and the bonus. The basic wage is fixed to ensure an employee's own adequate living standard and is uniform for all government personnel regardless of occupation or position. The duty wage, which forms the principal part, is determined by the specific job or post held. The service length allowance takes into account the number of years the employee has worked and increases with time of service. The bonus will be awarded to those who have distinguished themselves in work, with its size assessed according to performance. The differential between the highest and lowest government pay (basic wage plus duty wage) will be narrowed from 12 to 10 times.

The new wage deal is retroactive to January for primary and middle school teachers. Nurses and teachers also get another bonus. Those teaching in nurseries, primary and middle schools and secondary technical schools as well as hospital nurses will get an extra allowance, based on the total number of years they have taught or worked in a hospital.

The projected pay raise, the largest increase for government workers since the founding of New China in 1949, is a further step in casting away egalitarianism or the "big pot" and better embodies the principle of "to each according to his work." For state enterprises, the State Council has separate plans based on the principle that each enterprise's total payroll will be linked to its economic performance.

YANG SHANGKUN DISCUSSES CUTS IN PLA FORCES

OW050310 Beijing XINHUA in English 0253 GMT 5 Jul 85

[Text] Beijing, July 5 (XINHUA correspondent Liu Huinian) -- China's Armed Forces are now at their lowest numbers after a cut of one million, according to a top Army leader. Yang Shangkun, executive vice-chairman of the Central Military Commission, told XINHUA this followed minor cuts in the past few years.

It affected the Army, Navy and Air Force, merging some big military areas and abolishing a number of military units, Yang said. The number of frontier guards had been reduced, he said, "in sharp contrast to a superpower's deploying a million troops along the Chinese border."

Troop cuts in Fujian Province opposite Taiwan showed, Yang said, "the Chinese Government's sincerity in solving the Taiwan issue and reunifying the country peacefully." The cuts, he said, reflected China's determination to preserve world peace.

The danger of war remained, said Yang, but world war was a remote possibility with the growth of the forces for peace surpassing the growth of the forces for war. "China has always stood for Army reduction and opposed the arms race," he said, "and we have put our views into practice."

Domestically, Yang said, the government was determined to concentrate its financial and material resources on economic construction. The decision was also in keeping with the need to modernize the Armed Forces, he added. Overstaffed and overlapping organizations in the Army and disproportionate numbers of officers and men had been a problem for a long time, a problem Deng Xiaoping had suggested solving 10 years ago. "Now we are solving the problem in real earnest," Yang said. Measures include reorganizing big military areas and units, reducing the number of office workers and turning over county and city militia to local governments and frontier guards to the Armed Police.

Staff cuts will mainly affect the General Staff, the general political and logistic departments, the National Defense Science and Technology Commission and big military area commands, as well as their subordinate organizations. Outdated equipment will be phased out of service and a number of military installations closed. But efforts will be stepped up to form combat troops combining several services and arms, according to Yang. He disclosed that a number of new officers who were full of drive and professionally competent had been appointed to posts at big military areas or higher levels. Except for a few veteran officers who retained their posts, most of the newly-appointed officers were young or middle-aged, Yang said.

High-ranking officers, he said, were now in their 40s to 60s. Among combat troops, commanders at Army level were around 50, divisional level around 40 and regimental level around 30. The number of deputies to the chiefs, Yang said, had also been reduced, and no advisors, posts formerly reserved for senior officers, had been appointed.

XU HUIZI ATTENDS BEIJING AIR DEFENSE FAIR

OW031047 Beijing XINHUA Domestic Service in Chinese 1307 GMT 2 Jul 85

[By reporters Yang Minqing and Gai Yumin]

[Text] Beijing, 2 Jul (XINHUA) -- A national trade fair for scientific and technical achievements and products in connection with the people's air defense construction opened today at the Chinese People's Revolutionary Military Museum in Beijing.

This is the first large-scale national trade fair in many years for technology exchange and transfer in connection with the people's air defense construction in our country and is also the first trial event aimed at opening a technical market on the air defense work front. Displayed in the 4 exhibition areas of this fair are more than 700 scientific and technical achievements and products in connection with people's air defense construction. Some 180 units, including departments in charge of people's air defense work, higher-educational institutions, and factories from 25 provinces, autonomous regions, and municipalities are attending the fair by offering their most advanced technologies and scientific research results. Among the activities to be carried out at the fair are the transfer of scientific and technical achievements in connection with the development of underground spaces, public bidding for solutions to hard technical problems connected with underground engineering projects, technical consultations and services, exhibitions of the people's air defense construction achievements, and display and sales of commodities required for people's air defense projects and products which were manufactured or stored by utilizing the spaces of the people's air defense structures. The splendid exhibition shows the broad prospects for our country to promote the people's air defense projects by integrating peacetime work with preparedness against war and by developing and exploiting underground space.

The trade fair is aimed at promoting the reform of the people's air defense work and the development of related science and technology in accordance with the guidelines set in the State Council's instructions on commercializing technologies and opening technical markets. Xu Huizi, responsible person of the National People's Defense Committee and deputy chief of General Staff of the Chinese PLA, cut the ribbon at the opening ceremony.

PLA CIRCULAR CALLS FOR CLOSER ARMY-PEOPLE TIES

OW050445 Beijing XINHUA Domestic Service in Chinese 0923 GMT 4 Jul 85

[Text] Beijing, 4 Jul (XINHUA) -- The PLA General Political Department recently issued a circular calling on the whole Army to further do mass work well and strengthen Army-government and Army-people relations during its structural reform and reduction-in-strength reorganization.

The General Political Department circular, issued on 26 June, calls for doing the work well in the following aspects:

It is necessary to conscientiously carry out ideological education in subordinating oneself to the overall interests of national construction and strengthening Army-government and Army-people unity. Large numbers of commanders and fighters should be educated to have the cardinal principles in mind, take the overall situation into account, stress unity, observe discipline, and carry forward out Army's fine tradition of serving the people wholeheartedly. They should repay the concern, love, and support of the party, the government, and the people for them with the deeds of resolutely carrying out the reduction-in-strength reorganization and exemplarily observing policies, laws, and decrees.

It is necessary to continue to effectively carry out activities to build a spiritual civilization through the joint efforts of armymen and people. During the reduction-in-strength reorganization, PLA units should further strengthen their leadership over this work and do a good job in readjusting civilized places built through the joint efforts of armymen and people handing them over to local authorities. They should brief local party committees and governments on the situation in such civilized places.

They should readjust their overall arrangements to ensure the building of key civilized places, use the experiences of selected places to promote this work in entire areas, and bring the exemplary role of such civilized places into full play.

State and local construction projects undertaken by PLA units should be thoroughly completed.

It is necessary to do a good job in carrying out education in policy and discipline and inspecting their implementation. Large numbers of commanders and fighters should be educated to conscientiously respect local authorities, exemplarily observe the law and discipline, and to ensure that no violations of policy and discipline will occur during the reduction-in-strength reorganization. A general inspection should be conducted of the implementation of policies and the enforcement of discipline; once problems are discovered, measures must be taken to solve them as soon as possible.

It is necessary to do a better job in supporting the government and cherishing the people. During the reduction-in-strength reorganization, PLA units should fully brief local party committees and governments on their work and problems involving localities and seek the latter's support and help to do such work and solve such problems. Taking the overall situation into account and acting on the principles of mutual understanding, accommodation, and benefit, PLA units and localities should make conscientious efforts to solve their remaining problems. Large numbers of commanders and fighters should be educated to modestly learn from local cadres and the masses and to do people more good turns in order to strengthen Army-government and Army-people unity.

CIVIL AFFAIRS MINISTRY CIRCULAR ON SUPPORTING PLA

OW040905 Beijing XINHUA Domestic Service in Chinese 1250 GMT 3 Jul 85

[Text] Beijing, 3 Jul (XINHUA) -- The Ministry of Civil Affairs recently issued a circular calling on the civil affairs departments of all provinces, autonomous regions, and municipalities to launch the traditional campaign to support the Army and give preferential treatment to armymen's families in an extensive and deepgoing way around the "1 August" Army Day.

The circular, issued by the Ministry of Civil Affairs on 27 June, points out: The 58th anniversary of the founding of the great Chinese PLA, which we will celebrate this year, happens to coincide with the 40th anniversary of the victories of the war of resistance against Japan and the world's anti-fascist war. It also falls in a year when the PLA is carrying out an organizational reform and reduction-in-strength reorganization. For this reason, it is of special significance to launch the traditional campaign to support the Army and give preferential treatment to armymen's families in an extensive and deepgoing way around the "1 August" Army Day.

The circular urges: The campaign to support the Army and give preferential treatment to armymen's families during the "1 August" Army Day period this year should be carried out in conjunction with the commemoration of the 40th anniversary of the victory of the war of resistance against Japan. In August and September and for some time afterward, we should work under the leadership of the party and government organizations at all levels and strive to do something in the light of the actual situation to benefit PLA units and those entitled to preferential treatment.

1. We should step up propaganda and education. We should give wide publicity to the Chinese People's Army's historical contributions to the Chinese revolution, to the war of resistance against Japan waged by our whole nation, and to the world's anti-fascist war.

We should publicize the Liberation Army's new contributions to the defense and realization of the four modernizations. We should publicize the lofty spirit of dedication and patriotism displayed by PLA commanders and fighters in the anti-Vietnamese self-defense counterattack. Through propaganda and education, we should take a further step in cultivating the prevailing practice of respecting and cherishing the Army in society. We should support Army building and support the smooth progress of the Army's organizational reform and reduction-in-strength reorganization.

2. We should conduct an overall inspection of the work of giving preferential treatment and settling personnel. We should inspect this year's work in giving preferential treatment to families of revolutionary martyrs and army men, and step up the readjustment of regular pensions for families of revolutionary martyrs. We should earnestly do a good job in consoling families of those killed in action during the anti-Vietnamese self-defense counterattack, and in settling fighters disabled during the counterattack. We should inspect the work concerning housing construction and the reception and settlement of retired Army cadres. We should visit and comfort the families of those killed in action during the war of resistance against Japan and the veterans of that war, and firmly help them solve problems in production and in livelihood.

3. We should give wide publicity to the experience gained in mass activities of supporting the Army and giving preferential treatment to army men's families, such as that of "coordinated service networks for supporting the Army and giving preferential treatment to army men's families," "groups for supporting the Army and giving preferential treatment to army men's families," "groups for assistance to comrades-in-arms," and "army men's families service centers." We should promote the work of grass-roots mass organizations of giving special care to disabled servicemen and to families of revolutionary martyrs and servicemen in both urban and rural areas. We should rely on social forces of all levels and on all channels to solve problems and difficulties for PLA units and for those entitled to special care. Commendations may be given to units that have made outstanding achievements in supporting the army and giving preferential treatment to army men's families, and to mass organizations for supporting the Army and giving preferential treatment to army men's families.

4. Cemeteries (memorial halls) of revolutionary martyrs in all localities should be put in order and improved. Localities that meet the necessary conditions may hold exhibitions of deeds of local revolutionary martyrs killed in action during the war of resistance against Japan or during the anti-Vietnamese self-defense counterattack. The exhibitions are to let people, including youth and children, pay their respects to and learn from the revolutionary martyrs and be educated in revolutionary traditions.

PLA TO ISSUE CERTIFICATES TO KMT DEFECTORS

PW031834 Beijing XINHUA Domestic Service in Chinese 1243 GMT 3 Jul 85

[Text] Shenyang, 3 Jul (XINHUA) -- The United Front Work Department of the CPC Central Committee and the General Political Department of the Chinese PLA jointly held a forum in Shenyang from 29 June to 3 July to make arrangements for successively issuing certificates to former Kuomintang personnel who revolted and crossed over in the country.

Li Gui, deputy director of the Central United Front Work Department, pointed out at the meeting: For many years, we have made tremendous achievements in implementing the policies concerning the former Kuomintang personnel who revolted and crossed over. The implementation of the policies has warmed not only their hearts but also the hearts of their relatives and friends at home and abroad.

The implementation of the policies has yielded good political effects and preserved the party's prestige. Under such a situation, the Central Committee has approved the issuance of certificates to former Kuomintang Navy, Army and Air Force ground personnel throughout the country. In the first half of this year, various provinces, municipalities and autonomous regions have conducted experiments at selected localities and achieved good results. The former Kuomintang personnel warmly welcome the certificates. Come of them said with feeling: The party has implemented policies for us, issued us the certificates, completely freed us from fear of disturbance in the future, and thus done a very nice thing for our descendants.

FORMER CATHOLIC BISHOP GONG PINMEI PAROLED

OW031150 Beijing XINHUA in English 1144 GMT 3 Jul 85

[Text] Shanghai, July 3 (XINHUA) -- Gong Pinmei (Ignatius Kung), a former Catholic bishop, who was sentenced to life imprisonment in 1960 for high treason was released on parole here today. The decision to release him was made by the Shanghai Higher People's Court in a session which opened here this morning.

Gong, born in Shanghai in 1901, was appointed bishop of the Shanghai Diocese by the Vatican in 1950. He was sentenced by the Shanghai Intermediate People's Court as a traitor who used religion as a cloak.

The court decision on Gong's parole said that he had admitted his crime and showed repentance during the time he was serving his sentence. Gong said at the court that he would abide by the law and pledged allegiance to the country.

The court session was attended by people from Catholic and other circles and Gong's relatives.

Gong 'Satisfied' With Treatment

OW041758 Beijing XINHUA in English 1448 GMT 4 Jul 85

[Text] Shanghai, July 4 (XINHUA) -- Gong Pinmei, a Catholic clergyman who was released from jail on parole yesterday while serving a life sentence for high treason, told XINHUA here today that he was satisfied with his treatment by the Shanghai Diocese of the Catholic Church. He said that he would act under the guidance of Bishop Louis Zhang Jiashu. Gong Pinmei was sentenced in 1960.

Speaking in the office of Bishop Zhang, Gong said that he was very much moved by the welcome from some Catholics who were affected by his crime. "They were quite forgiving," he said. "I saw that all clergymen and lay believers were happy over my parole," he added. He said he was quite excited when he went to see Bishop Zhang and kissed his ring yesterday. "Bishop Zhang was very much concerned about my health. He asked me to have a good rest," he said.

He went on tours of Guangdong Province and Shanghai while he was still serving his sentence. "I didn't expect to see such a great change in our country and in the improvement of the people's livelihood," he said. "Though I'm advanced in years, I will do my best to contribute to the modernization of China. This is what is on my mind," he said. Gong Pinmei was born near Shanghai in 1901.

Shanghai Diocese To Aid Gong

OW041100 Beijing XINHUA in English 1045 GMT 4 Jul 85

[Text] Shanghai, July 4 (XINHUA) -- The Shanghai Diocese will try its best to help Gong Pinmei, former bishop who was released on parole yesterday, settle and have a normal religious life, said Louis Zhang Jiashu, Catholic Bishop of the Diocese, here today in an interview. Gong Pinmei was sentenced to life imprisonment in 1960 for high treason.

Bishop Zhang, 93, said that the parole showed the leniency and humanitarianism of the government. It was also the result of his repentance while he was serving his sentence, Bishop Zhang said. "We welcome him back to the diocese, which is responsible for giving him a fine environment for his study and livelihood," said the bishop.

When Gong Pinmei returned to the diocese yesterday afternoon, he went at once to see the bishop and kissed his ring, the bishop said, adding that Gong promised to act under the bishop's guidance. The bishop said that as long as Gong obeyed the law and was patriotic, he would lead a happy evening of his life and pursue his religious studies.

Louis Zhang was made bishop of Shanghai in 1960. He was head of the Chinese Catholic Bishops' College and director of the National Administrative Commission of the Chinese Catholic Church. There are 100,000 Catholics and over 20 churches in the Diocese. The Sheshan Seminary has 90 students, and the diocese plans to expand its nunnery.

LI PENG ADDRESSES EDUCATION WORK MEETING

OW050519 Beijing XINHUA Domestic Service in Chinese 1547 GMT 4 Jul 85

[By reporter Yang Jianye]

[Text] Beijing, 4 Jul (XINHUA) -- A meeting of leaders in charge of the education work of all departments, ministries, and commissions under the party Central Committee and the State Council was held in Zhongnanhai today, during which Li Peng, vice premier and concurrently minister of the State Education Commission, briefed meeting participants on the work of the commission and outlined the tasks of the current education work. Some 170 deputy directors, vice ministers, and directors of the Education Department (bureau) from 74 departments concerned under the party Central Committee and the State Council, as well as the PLA, were invited to attend the meeting.

In his speech, Li Peng said: The current central task of the State Education Commission is to implement the "Decision of the CPC Central Committee on Reform of the Educational System." Compared with the former Education Ministry, the commission is different in its functions in the following three aspects: 1) The scope of the work has been expanded; 2) its powers have been increased; and 3) leadership has been strengthened. He said: Instead of taking care of or working for all departments, the State Education Commission will exercise leadership over and offer guidance and assistance to the departments concerning educational principles and policies.

Moreover, the commission will mobilize the enthusiasm of all departments, ministries, commissions, enterprises, institutions, and communities in promoting education and will actively support them in setting up schools. However, there is one thing that must be supervised by the commission, that is, all departments and units must ensure the quality of the schools and examine their facilities for producing competent graduates. He said: In promoting education, all departments must refrain from setting up small but comprehensive or large and comprehensive schools.

Li Peng urged all departments to pay close attention to education work and regard it as an important item on the agenda. He put forth three specific requirements for the current work.

1. The party groups of all departments, ministries, commissions, and offices under the party Central Committee and the State Council must diligently study the "Decision of the CPC Central Committee on Reform of the Educational System" for some time to come and, in light of reality, study and plan concrete matters that should be carried out in near future.
2. Every department, ministry, and commission must assign a leading comrade to take charge of the educational work.
3. Educational expenditure must be increased. From now on, the educational funds of all departments, ministries, and commissions must be larger than those for 1985. They must be proportionately increased along with the progress of the educational undertaking year after year.

He Dongchang, vice minister in charge of the day-to-day work of the State Education Commission and secretary of the party group of the commission, also spoke at the meeting. Present at the meeting today were Vice Ministers Yang Haibo, Zhu Kaixuan, and Peng Peiyun and full-time member Huang Xinbai of the State Education Commission.

RENMIN RIBAO INTERVIEWS DIPLOMAT WU XIUQUAN

HK050333 Beijing RENMIN RIBAO Overseas Edition in Chinese 1 Jul 85 p 2

["Special Interview" by reporter Wei Yanan and correspondent He Jianzhong: "An old General Expressing His Feelings on 1 July -- Interviewing Wu Xiuquan, Member of the Standing Committee of the CPC Central Committee Advisory Commission"]

[Text] The lens of historical development always pans from one point to another. In 1950, it focused on Lake Success near New York. A UN Security Council meeting was held there to discuss the "case of U.S. aggression against Taiwan." During the meeting, a Chinese Communist who had been described by certain people as a ferocious and terrifying "bandit" valiantly and spiritedly mounted the platform which dominated world politics, in the capacity of special representative of the PRC. He addressed the meeting vehemently and with the force of justice, displaying the dignity of the Chinese people who had stood up and would tolerate no more aggression and building by foreign powers.

This man who appeared there as the first representative of the PRC in the international arena was Wu Xiuquan, the general and diplomat who enjoys widespread renown.

On the eve of 1 July, in Xi Shan, Beijing, we called on this 77-year-old man who joined the revolution more than 60 years ago and now holds the posts of member of the Standing Committee of the CPC Central Advisory Commission and full-time member of the CPC Central Commission for Guiding Party Rectification.

He appeared before us, stalwart, dressed in an old military uniform, holding a gray cap in his hand, and wearing a pair of brown mountaineering shoes. Though graying at the temples, he is still as bright and brave as ever.

When we mentioned that historical event which caused a sensation throughout the world 35 years ago, Wu Xiuquan waved his hands in disagreement and said: "I did not deserve that reputation. It was Premier Zhou Enlai who personally took charge of that event, and I merely played a minor role." Modesty does not conceal one's achievements. History has clearly recorded this old revolutionary's contributions, not only in that particular event but also in many important historical activities, inside or outside the party, at home or abroad! As a witness of the party's history, what does he think about on the occasion of the party's anniversary?

Speaking with thick Hubei accent, Wu Xiuquan began his serious and profound talk: "This year will mark the 64th anniversary of the founding of the CPC. I welcome your interview because I really want to say a few words, especially to send through you a message to our compatriots overseas."

Wu Xiuquan said: "I am a lucky survivor from the early days after the founding of the party. In those days, there were only a few dozen CPC members across the vast territory of China. The number of party members totaled only 1,000 by 1925. In order to find the revolutionary road, many people paid a high price or even sacrificed their lives. I was directly instructed and fostered by founders of our party since the very beginning and was sent later to study in the Soviet Union." Sixty-three years ago, Wu Xiuquan, at the age of 15, was a fifth grade pupil at the primary school affiliated to the Wuchang Senior Normal School. Chen Tanqiu, one of the founders of the CPC and the first to be appointed secretary of the CPC Hubei provincial party branch, was then teaching at that primary school and in charge of Wu Xiuquan's class. It was Chen Tanqiu who recommended Wu for membership in the Chinese Socialist Youth League and led him onto the revolutionary road. Wu Xiuquan still remembers that in 1924 Dong Biwu, another founder of the CPC, gave a group of more than 20 progressive young people, including Wu himself, a talk on world revolution and Chinese revolution at a gathering to mark the anniversary of Lenin's death. When Wu recently read the selected works of Dong Biwu, he found that the first article in that book was based on that talk he had listened to.

Today, the CPC has become the ruling party, with nearly 40 million party members, and the core of leadership of all China. Being gratified at the achievement of the party, Wu Xiuquan had a still stronger feeling that he had a grave responsibility to the party. He talked about the problems existing in the party: "The unhealthy tendencies currently existing in the party have aroused doubts and misgivings about our party among quite a few people at home and abroad. There are grounds for their doubts and misgivings. The 10 years of turmoil have given rise to many unhealthy practices within the party and in society, such as speculation and profiteering, seeking personal interests by making use of one's power, and so on. Therefore, the CPC Central Committee decided to spend 3 years or even longer in carrying party rectification through to the end. We will never stop until the party style is really improved! In fact, the party style has been substantially improved in the past few years."

We asked Wu Xiuquan where the key to the party rectification lies. He raised his hand and made a quick gesture, saying in a very determined tone: "As long as our leading people at all levels adhere to principles and observe party discipline and the state law, all unhealthy tendencies can no longer exist!"

"As the old saying goes: 'If one fails to behave oneself properly, how can he ask others to behave properly.' Our leading people at all levels must take the lead in straightening out the party style and the general social mood. For example, I myself have to make sure that my own family does not get involved in unhealthy tendencies." He really means what he says. When his eldest daughter failed to gain admission to a famous university, he did not ask an influential person to help make arrangements. He stood foursquare behind the husband of his eldest daughter, who voluntarily registered himself for work in Xizang after his graduation from college. Now the latter has been in Xizang for 10 years. A grandson of his brother, who became involved in a gang fight, asked Wu Xiuquan to intercede with the public security bureau. Wu refused to do so but wrote a letter to the public security bureau instead, demanding that the bureau take serious action against the grandson of his brother: "Put him into the juvenile correctional center so as to transform him into a new man."

At that moment, his knitted brows became smooth again. With confidence he said: "Our party has managed to transform China. Certainly, then, we can overcome unhealthy tendencies too. Our compatriots who are far away from the motherland have shown concern about this problem. May I ask them to observe the next 3 to 5 years. I am sure there will be a fundamental turn for the better by then, if things are not perfect."

He became slightly moved when talking about the fact that a certain proportion of our people still have to face the problem of food and clothing; the people in remote and border areas, poor areas, and old liberation areas especially are still leading a rather poor life; for most people, laboring and working conditions, as well as living standards, lag far behind those of developed countries; and there is still a very wide gap between the status quo of our country and the standard for an ideal society. Yes, it is true that this old revolutionary really wishes to see the ideals that he has been in pursuit of all his life realized soon.

Talking about the prospects for the reunification of the motherland, Wu Xiuquan held that it is related to the national strength -- as soon as the national economy is developed, reunification will become an irresistible trend.

It is said that Wu Xiuquan was a schoolmate of Chiang Ching-kuo at Sun Yat-sen University in Moscow. Out of curiosity, we asked Wu Xiuquan about this. He seemed reluctant to mention this part of his experience. He told us: In October 1925, a group of more than 100 people, heading for the Soviet Union, left China on board a Soviet coal ship returning to Haishenwai [Vladivostok]. Chiang Ching-kuo was a member of this group. After entering Sun Yat-sen University in Moscow, Chiang Ching-kuo and Ulanhu were put in the same class. In 1927, the university organized students to receive military training at a place called Kondrovo in the suburbs of Moscow. Wu Xiuquan and Chiang Ching-kuo were put in the same squad and lived in the same tent. Chiang was 2 years younger than Wu. According to Wu's impression, Chiang Ching-kuo was a very clever person, being active at the college. He still remembered that during a debate, Chiang Ching-kuo mounted the platform with a pile of Lenin's works, quoted the works and spoke glowingly.

Returning to current affairs, Wu Xiuquan agreed with some people's viewpoint that Chiang Ching-kuo is faced with two choices: to support the reunification of the motherland, thus becoming a national hero; or to persist in splitting the country, thus becoming a person condemned by the nation.

MINISTRY ISSUES CIRCULAR ON CARE OF FREIGHT

OW030327 Beijing XINHUA Domestic Service in Chinese 0155 GMT 30 Jun 85

[Text] Beijing, 30 Jun (XINHUA) -- The Ministry of Communications issued a circular to communications and transportation departments, and affiliated enterprises in various localities, on 28 June, urging them to seriously draw a lesson from an incident at the Beijing Dongjiao Railway Station, in which refrigerators were damaged as a result of rough handling, stop similar incidents, and further improve the quality of freight transport.

The circular said: After the work of consolidation of enterprises on the communications and transportation front was inspected and found to meet the requirements, some units have nonetheless slackened their quality control. Even advanced enterprises have had a number of major quality-related incidents. Rough handling of freight and discourtesy to passengers are not unusual. For instance, after the Dalian Port Loading and Unloading Corporation had spilled diesel oil during unloading operations on 16 April, the corporation's Eastern Port Company broke over 1,000 jin of eggs, and caused a loss of over 1,000 yuan, while unloading eggs from the SS Changcheng from Shanghai on 17 June. The incident occurred as one of its superintendents in charge of cargo handling, after being denied by the cargo owner something he requested, rehoisted the container, and dumped it in a rough manner. It was an extremely vicious and grave act of deliberate revenge, arising from the cargo owners refusal to be extorted through an abuse of power. The case is being sternly dealt with. In another case, the Xipu bus station in Jiangsu Province was criticized in readers' letters in the 11 June edition of XINHUA RIBAO for poor service.

In order to draw a lesson from the above incidents, and effectively improve transport quality, the Ministry of Communications' circular has made decisions, which are essentially as follows:

1. Communications and transportation enterprises in China should conscientiously organize their employees to study newspaper, radio, and television reports on stopping rough cargo handling, and improving freight transport quality. It is necessary to conduct a new, comprehensive review of this year's incidents concerning freight transport quality, resulting from operations in violation of relevant regulations, and rough handling. Incidents which have not been properly handled should be reexamined. It should be reiterated that, except for special circumstances in which cargo is damaged due to poor packaging or technical loading problems, the person causing economic loss through operations in violation of relevant regulations and rough cargo handling, should fully compensate for the loss. At the same time, it is necessary to pursue his superior's liability.
2. From now on, all units should, in accordance with relevant regulations, promptly submit to the ministry an accurate account of any incident concerning freight transport quality arising from operations in violation of relevant regulations and rough handling, with their investigation findings and opinions on how to handle incident. They should not let the incident slide in order to avoid trouble.

3. In order to safeguard the economic interests of cargo owners and passengers, as well as the reputation of communications and transportation work, communications departments should compensate for any economic loss for which they are directly responsible in incidents concerning transport quality, and should not "shirk the responsibility, postpone the payment, and deny the responsibility" under any pretext.

4. All units should conscientiously implement overall plans to improve their transport quality. Leaders at all levels should strictly follow the principle of safety and quality first, and take effective measures to stop operations in violation of relevant regulations, rough cargo handling, discourtesy to passengers, and other problems. Problems exposed through investigation should not be tolerated, but should be sternly dealt with after seriously summing up experience, drawing lessons, and conducting investigations. Persons responsible for the incidents should be fined and given disciplinary sanctions. Legal responsibility should be pursued in serious cases.

CONSUMERS WEEKLY TO UNDERGO TRIAL PUBLICATION

HK050655 Beijing ZHONGGUO XINWEN SHE in Chinese 0727 GMT 1 Jul 85

[Text] Beijing, 1 Jul (ZHONGGUO XINWEN SHE) -- ZONGGUO XIAOFEIZHE BAO, a periodical with the vast number of consumers as its prospective readership, started trial publication in Beijing today.

In a message entitled "To Readers," the Editorial Department of ZHONGGUO XIAOFEIZHE BAO declared that the periodical would try to fulfill its purpose of "exercising social supervision of commodity marketing and service, safeguarding consumers' interests, providing the broad masses with advice on consumption, and boosting the socialist economy."

The trial publication issue carried a roundup by the periodical's reporters revealing that the markets in various places were flooded with fake or inferior Chinese medicines which might do harm to the masses. Published together with this roundup was an interview with Jiang Bing, director of the Pharmaceutical Administrative Department of the Ministry of Public Health, who emphasized that it is necessary to strictly ban the sale and production of fake or inferior medicines and to ensure the safe usage of medicines.

Peng Zhen, chairman of the NPC Standing Committee, wrote a masthead for ZHONGGUO XIAOFEIZHE BAO. Hu Ziang, vice chairman of the NPC Standing Committee; and other well-known personages including Ma Hong, Cai Ruohong, and Huang Zhou also wrote transcriptions for or presented paintings to the newly published periodical.

It is reported that this periodical will officially start publication in early October. Tentatively it will be issued weekly in folio size with four pages.

LAW OFFICE IN BEIJING AIDS OVERSEAS PERSONS

HK031451 Beijing RENMIN RIBAO Overseas Edition in China 2 Jul 85 p 1

[Report by Zhang Zhiye: "Law Office Set Up in Beijing To Render Legal Service To Overseas People"]

[Text] Composed of specially invited lawyers, the Beijing No 4 law office renders legal service to Overseas Chinese, Chinese of foreign nationality, Hong Kong and Macao compatriots, and Taiwan compatriots.

It has won a broad welcome for taking an active part in handling cases entrusted by clients abroad concerning real estate, properties, and inheritance rights in mainland China.

This law office was set up in April 1985. Full-time and part-time lawyers and retired qualified legal workers have been invited to participate in the operation. The office is headed by Fei Lulu, daughter of the late Fei Qihe, a famous educator and entrepreneur. Liang Wenqian, deputy chief of the office, is a daughter of Mr Liang Shi-chiu, who now resides in Taiwan. Zhou Naxin, director of the Beijing Law Office for Foreign Economic Relations, and more than 10 Chinese legal specialists and judicial workers of long standing act as advisers.

In the more than 2 months since the founding of the law office, it has received several hundred letters from abroad, inquiring about domestic legal questions and entrusting the office to handle cases of all kinds in mainland China. Ms Fai told reporters some time ago, that for some historical reasons universally known, it was impossible for some Chinese compatriots residing abroad to come to the hinterland to handle property and real estate they had left behind in the more than 3 decades since the founding of the PRC. In recent years, China's national construction has developed; its legal system is more and more complete, and its foreign ties are extending. The left-over and newly emerging legal problems of people residing abroad are in urgent need of a solution. The law office was set up to meet such needs. According to her, the law office has been entrusted with many specific lawsuits and other cases to date. Some people residing abroad cannot return to mainland China because they are very occupied with their work or for other reasons. This law office has helped them solve their problems successfully. Cases entrusted to this law office chiefly involve civil affairs, finances, real estate, property, marriage, and a small number of criminal suits.

JINGJI RIBAO ON CONTROL OF CAPITAL CONSTRUCTION

HK030823 Beijing JINGJI RIBAO in Chinese 26 Jun 85 p 1

["Economic Work Commentary" by Reporter Xie Zhenjiang: "Strictly Control the Scale of Capital Construction Investment"]

[Text] The scale of our investment in capital construction should be commensurate with the strength of the country. This is one of the basic conditions for stabilizing the country's national economy. However, since the beginning of this year, there has been too enormous an increase in our investment in capital construction and this has produced some adverse effects on various segments of the national economy. According to the statistics compiled by the departments concerned, from January to May this year, the country's total investment in capital construction exceeded that in the corresponding period of last year by 38 percent and it grew at a much higher rate than the 6 percent and 17 percent in the corresponding periods of 1984 and 1983, respectively. This has been the year with the highest growth rate of investment in capital construction since 1976. What warrants our special attention is that in spite of the control measures adopted by the state departments concerned, investment in capital construction has been increasing. It increased by 35 percent in the first quarter, by 37 percent in April, and by 42 percent in May.

According to the analyses suggested by the departments concerned, since the beginning of this year, the country's investment in capital construction has been increasing too rapidly and with the following characteristics: 1) The increase in investment over the amount planned in the state budget was much greater than the increase in investment called for by the state budget.

Of the total amount of money invested in capital construction between January and May this year, investment planned by the state budget was 1.6 percent more than that in the corresponding period of last year, whereas investment not planned by the state budget increased by 87 percent. The rapid increase in investment not planned for by the state budget was a result of the excessive amount of loans extended by the banks and the excessive amount of investment funds independently raised by people. The total amount of loans extended by the banks increased by 160 percent and the total amount of investment funds independently raised by people increased by 83 percent. 2) The growth of the investment in various projects by various localities exceeded the growth of the investment by the central authorities. Between January and May, the investment by the central authorities exceeded that in the corresponding period last year by 17 percent, whereas the investment by various localities grew by 80.5 percent. 3) The growth rate of the investment by ordinary departments was higher than the growth rate of the investment by the energy and communications departments and the proportion of the investment in energy resources and communications to the total amount of investment decreased. Between January and May, investment by the energy sector and transportation and posts and telecommunications departments grew by 24 percent. However, this investment as a proportion of total investment dropped from 24 percent and 17.2 percent in last year to 21.5 percent and 15.5 percent, respectively. 4) This year, our investment in capital construction has grown on the basis of last year's enormous increase, but at an even higher rate. In 1984, the country's investment in capital construction was 25.1 percent more than that in 1983. In the first 5 months of this year, the growth rate much higher than that in the corresponding period of last year. If we do not strictly control it, the yearly growth rate will be higher than that in 1984.

The steady, enormous increase in our investment in capital construction has adversely affected the sustained, steady, and coordinated development of our national economy. First, it makes the contradictions between the supply of and the demand for building materials, which are already in short supply, even more acute. Between January and April, the amount of steel products used in state construction projects exceeded that in the corresponding period of last year by 32 percent and the growth rate of steel consumption was much higher than the 11.4 percent growth rate of its production in the same period. The shortage of materials has caused the price of many products to go up. Second, this affects our ability to control the consumption funds and the money to be put into circulation. It is estimated that of each 100 yuan of investment in fixed assets, about 30 yuan will be converted into consumption funds. Thus, it is necessary to correspondingly increase cash payments. And this affects the balance between society's purchasing power and commodity supply in the market. And third, this may cause the accumulation rate to continue to increase. Since 1981, when the accumulation rate was lowered, the accumulation rate has gone up again. In 1984, it rose to 31.4 percent. Considering the growth rate of investment in the first 5 months of this year, it seems that our accumulation rate may still continue to rise. Thus, it is necessary to earnestly adopt effective measures in order to strictly control the scale of investment in capital construction this year.

According to the above analysis, in order to control the investment in capital construction this year, it is necessary to strengthen the management of capital construction loans and of the independently raised funds. The banks should put an end to their laxity in controlling and administering capital construction loans and extend loans strictly according to the plans.

As for people intending to raise their own funds, they should strictly implement the relevant regulations promulgated by the State Council and deposit their funds and building tax 6 months in advance in the Construction Bank. People who deposit their money in other banks than the Construction Bank are not allowed to raise funds independently. In addition to strengthening the control of the investment not planned for by the state budget, it is also necessary to arrange construction projects according to our capability. Apart from this, it is also necessary to strictly control the construction of new projects.

Comrade Chen Yun pointed out: "The scale of construction must be commensurate with the country's financial and material strength. Whether or not the former is commensurate with the latter is an indication of whether or not our economy is stable." It is hoped that the leading comrades of various localities and departments will bear in mind that the excessive extent of several construction projects since the founding of the country has led to serious economic losses, deepen their understanding of the importance and urgency of this problem, and adopt resolute measures to solve it in order to ensure the steady development of the national economy and the smooth implementation of various reforms.

CHEN PIXIAN REVIEWS PARTY HISTORICAL DATA

OW031443 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 1 Jul 85

[Text] Shanhang County has organized research personnel to call on and extend comfort to the veteran Red Armymen and comrades who took part in the revolutionary struggle in western Fujian in those years. They also solicited the opinions of the veteran Red Armymen and comrades on supplementing and revising the party historical data to ensure the correctness and completeness of the data.

From February, 1984 to June, 1985, they successively went to Beijing, Shanghai, Nanjing, Sheyang, Jinan, and nine other cities on four occasions. They called on and extended comfort to 57 veteran Red Armymen and comrades, requesting them to recall their personal experiences in those years when they took part in the revolutionary struggle in western Fujian, and the historical circumstances of the CPC in building the revolutionary base in western Fujian and upholding guerrilla warfare for 3 years. They revised and supplemented the chart of the major events of the people in Sanghang County in their revolutionary struggles, and the party historical data kept in Shanghai County. A total of 28 memoirs, 46 reports, 59 pictures on the revolutionary history and cultural relics, and other valuable party historical data were collected.

Comrade Chen Pixian, member of the Secretariat under the CPC Central Committee, spared some time to go over Shanhang County's party historical data, and furnished supplementary opinions on the armed uprisings by the people in (Nanyang).

BO YIBO WELCOMES NEW PARTY MEMBERS 1 JUL

OW020937 Beijing XINHUA Domestic Service in Chinese 1220 GMT 1 Jul 85

[Text] Beijing, 1 Jul (XINHUA) -- During the oath-taking ceremony for new party members of organs under the State Council this afternoon, Bo Yibo, vice chairman of the Advisory Commission of the CPC Central Committee, presented the new party members these three famous sayings: 1) "Be concerned with state affairs ahead of the people, and enjoy the fruits after the people" by Fan Zhongyan [a ranking official of the imperial court of the Song Dynasty]; 2) "Be determined to accomplish big projects, and do not be determined to become high-ranking officials" by Sun Yat-sen; and 3) "Rid the party of those who seek to 'enjoy' the benefits for members of the ruling party, but who are unwilling to work selflessly for communism" by Lenin.

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During the ceremony, which took place at the State Council Hall in Zhongnanhai this afternoon, the 40 new party members of the State Council organs made this solemn pledge before the brightly colored party banner: "I will be loyal to the party, work hard, fight for communism throughout my life, and be ready at all times to sacrifice my all for the party and the people."

Speaking at the ceremony, Zhang Wenshou, secretary of the State Council Organs CPC Committee, said: Oath-taking is a way for the party to educate its probationary party members. The party will regularly adopt various means to consolidate the party's ideology, work style, and organization.

He said; Comrade Hu Yaobang stressed time and again recently that party organizations at all levels, including party branches, must make sure that they lead a normal party life. This is a major requirement that has not yet been met. If this requirement alone has not been met, there is the danger that all our principles and policies will fall through, or will even be completely distorted. Zhang Wenshou added: Although the State Council organs have completed their party rectification, we must continue to lead a normal party life, and intensify educating the party members, making sure that they really play an exemplary leading role in achieving the four modernizations. The new party members who took the oath today joined the party after the State Council organs started their party rectification.

WAN LI, OTHERS VISIT ASTRONAUTICS INDUSTRY FAIR

OW281131 Beijing XINHUA Domestic Service in Chinese 1636 GMT 27 Jun 85

[By reporter Yi Jianru and correspondent Sun Minqiang]

[Excerpt] Beijing, 27 Jun (XINHUA) -- The Ministry of Astronautics Industry science and technology fair closed today after 1 and 1/2 months. Concluded at the fair were 1.05 billion yuan in transactions, showing the broad prospects for transferring astronautic high technology to the civilian sector.

Party and state leaders, including Wan Li, Song Renqiong, Yao Yilin, Gu Mu, Hu Qili, Qiao Shi, Yan Jici, Liao Hansheng, Li Peng, and Tian Jiyun, visited the fair. Some 200,000 people visited the fair, including those who went there to do business.

More than 2,500 science and technology achievements were on exhibit. Many of them had been applied in national economic construction with unexpected economic results. For example, technology for remote control and measurement of satellite and regulation of satellite temperature could be used for geological prospecting and unveiling the secret of mineral deposits beneath the earth's surface; the altimeter for controlling the altitude of guided missiles could be used for monitoring the composition of ores; and technology for separating missile stages could double the speed of dismantling ships. After seeing the large number of successful examples in applying military technology in the civilian sector, people realized the general applicability of much of the high technology of artificial satellites and carrier rockets.

XIANG NAN ELECTED FUJIAN PARTY SECRETARY 3 JUL

OW031410 Beijing Domestic Service in Mandarin 1200 GMT 3 Jul 85

[Text] At today's session of the Fourth Fujian Provincial CPC Committee, the provincial Advisory Commission, and the provincial Discipline Inspection Commission, Xiang Nan was elected secretary of the provincial CPC Committee, Hu Ping deputy secretary of the provincial CPC Committee, Hu Hong chairman of the provincial Advisory Commission, and Gao Hu secretary of the provincial Discipline Inspection Commission.

The Fourth Fujian Provincial CPC Congress was held from 28 June to 2 July in Fuzhou.

FUJIAN NAVY STUDIES TROOP REDUCTION PLAN

OW030003 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 1 Jul 85

[Text] Leading cadres at all levels in the naval units stationed in our province are working enthusiastically and earnestly to contribute to the Army's structural reforms, as well as to its efforts to reduce and reorganize the PLA.

After the announcement of the policy decision by the CPC Central Committee Military Commission on military structural reforms, reduction, and reorganization, party committee members of the naval units based in our province promptly studied the decision and held special discussions on the importance of troop reduction and reorganization in relation to local economic development. In so doing, they further realized that the Army's structural reforms, as well as troop reduction and reorganization, constituted a positive guideline, and represented an important step forward in our Army's modernization. They unanimously pledged to take the overall situation and general interest into consideration, and to do a good job in implementing this major task of troop reduction and reorganization.

For 2 weeks, members of the party committee have separately gone to some 30 coastal islands and fleet units where they propagated and implemented the policy decision of the CPC Central Committee Military Commission on troop reduction and reorganization, and in doing so boosted the morale of cadres. As a result, the cadres have ardently carried out their work in military training, logistics support, and other areas, and accomplished the first half yearly task with flying colors. This won them commendations from the higher authorities.

WAN SHAOFEN ON BUILDING LEADING BODY IN JIANGXI

HK030257 Beijing GUANGMING RIBAO in Chinese 21 Jun 85 p 1

[Report by reporters Lei Liangjun and Wang Shaoxiong: "Jiangxi Provincial CPC Committee Secretary Wan Shaofen Stresses the Building of the Leading Body of the Provincial Committee"]

[Text] On 16 June, 54-year old Wan Shaofen was elected secretary of Jiangxi Provincial CPC Committee by the First Plenary Session of the Eighth Jiangxi Provincial CPC Committee, thus becoming the first woman provincial CPC Committee secretary in the whole country since liberation. After being elected, Wan Shaofen delivered a speech at the meeting. She stressed the building of the leading body of the provincial CPC Committee and made new demands on the ideology, organizations and style of all the committee members. Her demands are:

-- All committee members should think, talk and work together for the purpose of realizing the four modernizations and constructing Jiangxi Province and should not get tied down by past events.

-- All committee members should work hard, study hard and pay attention to efficiency, should be practical and show concern for the masses, and should be willing to work for the people and call one another "comrade" within the party.

-- All committee members should adhere to the criterion of cadres' "four transformations," respect knowledge and qualified personnel and appoint people on their merits.

-- All committee members should work for justice and work selflessly for the public interest, should not seek privileges and personal interests, should strictly observe the party Constitution and the provision of the "Guiding Principles" and should be equal before party discipline and state laws.

-- All committee members should go deep into the realities of life and carry out investigations and research and often listen to the opinions of the veteran cadres, experts, scholars, reporters, and nonparty personages. Each year, all the provincial CPC Committee members should spend at least 3 months at the grass roots to listen to the opinions of the masses and help the masses at the grass roots solve their problems.

-- All committee members should conscientiously study theory, policy, and science, accelerate the process of renewing knowledge, and learn to grasp the overall situation so as to raise the standard of the leadership.

On 16 June, the Jiangxi Provincial CPC Committee made a corresponding decision which demands strengthening the self-construction of the provincial CPC Committee. When talking about establishing a good working style in the new provincial CPC Committee, Wan Shaofen stressed: "This should start with me."

BAI DONGCAI WORK REPORT AT JIANGXI CPC CONGRESS

OW220231 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 11 Jun 85

[Text] In his work report at the Eighth Jiangxi Provincial CPC Congress, Comrade Bai Dongcai put forth a 4-point instruction for carrying out future work.

Comrade Bai Dongcai said: Last year, Hu Yaobang, Zhao Ziyang, and other central leading comrades successively visited our province and confirmed that the situation in Jiangxi was excellent, thus showing the party Central Committee's kind concern, encouragement, and hopes for our province. The essence and primary trend of the situation in the province can be seen from the fact that what we have achieved is being gradually transformed into a tremendous spiritual force that has swept away the inertia, greatly stimulated the people's spirit to make progress, and enhanced their confidence to accomplish the goal to quadruple the annual industrial and agricultural output value. Of course, we still face shortcomings and problems in our work. We have failed to completely eliminate the leftist ideological influence and thoroughly emancipate our mind to smash the trammels of old habits. We must make earnest efforts in the following aspects:

First, it is necessary to actively and creatively implement the party's line, principles, and policies by steadfastly adhering to them while taking into account the actual situation in Jiangxi. Through eliminating chaos and restoring order, we have stressed the utmost importance of practice, persisted in the principle of integrating theory with practice, and conducted in-depth study and investigation, thereby gradually formulating a series of new principles and measures for developing Jiangxi's economy, that are in line with the reality in the province and imbued with the special characteristics of Jiangxi.

Practical experience shows that in upholding the ideological principle of seeking truth from facts, it is necessary to resolutely eliminate the leftist ideology, old ideas, and impractical and outdated rules and conventions. We must always bear in mind the following truth: Everything proceeding from reality is the fundamental principle that we must adhere to when formulating policies and making policy decisions.

Second, it is necessary to always remember that the basic task of socialism is to energetically develop social productive forces. Practical experience over the past years has proved that only when the productive forces are developed can our nation become strong and prosperous, the people be happy and well off, and the superiority of socialism be brought into full play. Therefore, we must place the economic work in the most important position on our agenda and regard the development of productive forces as our basic task. All work in other fields must be subordinate and serve the central task of economic construction. This is so not only at the present but also in the entire stage of socialism.

Third, it is necessary to uphold the mass line and fully respect the people's creativity. There are no ready methods or formulas for building distinctively Chinese socialism. The only correct method is to respect the people's creative experience. Facts show that creative and lively socialism is built by the masses of people themselves. We must earnestly study and solve problems which are of utmost concern to the people. In order to persistently carry out reform and promote the party's work in various fields, we must uphold the mass line, firmly trust and rely on the masses, and do things according to their wishes. By so doing, we will be able to achieve a breakthrough in all fields.

Fourth, it is necessary to totally negate the Cultural Revolution and strengthen the unity between party members and ordinary people. Practical experience shows that without totally negating the Cultural Revolution, we cannot eliminate the leftist pernicious influence, effectively carry out the party's line, principles, and policies, eradicate factionalism and solve the problem of unity. We must take a firm and unequivocal stand in continuing to totally negate the Cultural Revolution.

More on Work Report

OW220237 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 12 Jun 85

[Text] In his work report to the Eighth Jiangxi Provincial CPC Congress on the reform of the economic structure, Comrade Bai Dongcai emphatically pointed out: It is imperative to foster a correct guiding principle, have firm confidence in the reform work, and conscientiously handle and solve problems in our work so as to ensure the healthy development of the reform work.

Comrade Bai Dongcai said: We must firmly adhere to the general direction and goal of the reform and take prudent and proper measures and methods. The reform work is a profound revolution. It will naturally have many unfamiliar and unexpected new situations and problems. The reform work touches on many things and is quite complicated. Its every step is related to the vital interests of the state and people. Therefore, we must be steadfast, be prudent in fighting the first battle, and be sure to win. We must not sway our determination because of the emergence of various problems. We must look carefully before taking each step, and must not act with undue haste in a reckless manner. We must not rush headlong into mass action without taking state and society's capacity to withstand such heavy strains into consideration. We must proceed from reality and adhere to the materialist theory of reflection. We must carry out a reform measure resolutely once we are certain of its success, but experiment first if we are not sure of its success. We must promptly correct all improper things. Only in this way can we carry out various reform work and proceed without danger of failure.

Comrade Bai Dongcai said: Reform is to promote the development of social productivity and speed up the pace of four modernizations. However, we must guard against lopsidedly seeking high goals which are divorced from reality, and vying with one another in speed and overlooking economic results and quality. Otherwise, it will lead to false statements, exaggeration, and the evil practice of seeking a false image. This will certainly strain the entire economic life of the country and thus hinder the smooth progress of our reform. Therefore, the speed of development must correspond with economic results.

Increasing the vitality of enterprises is a central link in economic structural reform. We must firmly grasp this link and take bolder steps to enliven various microeconomic activities. However, microeconomic activities must be subordinated to the interests of the state and society and serve the long-term interests. We must not act as we wish and practice departmentalism and individualism. We must all the more not infringe upon the interests of the state and other people. We should properly maintain control over major issues but be flexible on minor ones.

Accordingly, we must effectively strengthen and perfect our solid control over and management of macroeconomic activities. At present, we must pay particular attention to the volume of currency in circulation, and effectively strengthen supervision and control over market prices. We should strictly forbid any attempts to unscrupulously jack up prices or increase them under another guise and prevent major fluctuations in prices. We should strive to seek a balance in finance, credit, commodities and foreign exchange. Only in this way can we guarantee the healthy development of reform work.

Comrade Bai Dongcai pointed out in his work report: The rise in the level of consumption must not exceed the development of production. He said: It is wrong to overlook the role of the people's consumption in promoting social production and not do our best to satisfy the normal increase in people's basic life needs. It is also wrong to overlook the capacity of production, divorcing it from reality, and lopsidedly seek a high consumption. In order to promote reproduction and the development of various undertakings, we must set a correct ratio between accumulation and consumption in regard to the distribution of revenue. The welfare of staff members and workers and the increase of living consumption must not surpass the increase in production. We must continue to adhere to the policy of improving the people's living condition on the basis of developing production and the principle of building the country through thrift and hard work. We should resolutely combat the erroneous practice of dissipating all income by turning production funds into consumption funds. We should use our limited funds in the most economic way and create a strong material base for the increase of the state economic power and the steady improvement of the people's living condition.

Touching on the building of the old revolutionary base areas, Comrade Bai Dongcai emphatically pointed out: It is necessary to make an overall plan, strengthen leadership, and speed up the pace in building the old revolutionary base areas.

Comrade Bai Dongcai said: The old revolutionary base areas account for a significant part of the work of this province. During the revolutionary war years, the people in those areas struggled heroically and sacrificed many lives for the people's liberation cause. After the founding of new China, they again made great contributions to socialist construction.

For more than 30 years, under the care and assistance of the party and the state, great progress has been made in building the old revolutionary base areas. However, a good proportion of the areas are still in a state of poverty and backwardness. Some of the people there are still poor.

We must pay close attention to this matter and fully understand the important position and influence of building the old revolutionary base areas in our provincial economic development. We should strengthen our sense of responsibility and urgency in speeding up the building of those areas. We should place the work of improving the economic situation of people in those areas in an important position. Speeding up the economic development in the old revolutionary base areas is a strategic task of long-term and overall importance in building the four modernizations in this province. We should carry out investigations and study, take the actual situation in the areas into consideration, carry forward the good tradition and remedy shortcomings, integrate the local planning with the long-range economic development goal, make efforts to improve the areas in a comprehensive way, and actively assist those areas.

Responsible units at various levels should grasp the implementative of all measures to improve the economic situations of people in those areas. It is necessary to adhere to the policy of improving those areas mainly through their own efforts with assistance from the state, overcome their thinking of solely relying on state relief and fear of difficulties, guide them to carry forward the pioneering spirit of working hard for the prosperity of those areas, enliven their economic activities and help them promptly change their situation of poverty and backwardness through their own efforts. It is necessary to fully utilize locally available resources, develop advantageous production work, promote cooperation with other areas in developing various kinds of production, and vigorously develop commodity economy.

The whole party should take part in the work with good coordination of all units concerned. It is necessary to further liberalize policy and give the people in those areas more effective support in various forms, through various channels, at various levels and in various fields, and show great concern for them. It is necessary to reduce the burden of people in those areas, adopt effective measures to solve their actual problems in a prompt manner, and ensure that all poor families in those areas have enough to eat and sufficient clothing.

It is necessary to adjust the production structure in the rural areas, strengthen the intellectual development in those areas, and promote a rapid development in science and technology. Under similar conditions, priority should be given to those areas in building capital construction projects and technological transformation. We should efforts to solve the problems of people in those areas concerning transportation, electric power, and drinking water, and strengthen the basic construction in those areas in a planned way as quickly as possible. We should strive to achieve a relatively big change in the old revolutionary base areas within 3 years.

SHANGHAI COMMENTARY STRESSES PARTY SPIRIT

OW040951 Shanghai City Service in Mandarin 0100 GMT 1 Jul 85

[Station commentary: "Strengthen Party Spirit To Ensure Reform"]

[Text] Today, all party members and people in the municipality celebrate a glorious festival, the 64th founding anniversary of the CPC. What concrete action should be taken to commemorate this day of great historical significance? For party organizations at various levels and all party members it is in-depth education on strengthening party spirit.

To regularly conduct education on party spirit among party members is an important task of all party organizations. In view of the ongoing economic structural reform focused on cities, an unprecedented undertaking as well as a second revolution in China, the strengthening of party spirit and discipline is of even more immediate and pressing significance.

By taking a firm and effective grip on this important task for the whole party we can ensure the smooth progress of economic development and reform, promote party rectification in depth, and consolidate and develop its achievements.

Every significant reform in history is bound to bring along certain unhealthy tendencies; it is hardly avoidable that swindlers, opportunists, and ambitionists will worm their way into the ranks of genuine revolutionaries and reformists. To advance bravely in the rapid current of economic reform in China today, all Communist Party members should conscientiously strengthen their party spirit and always bear in mind the fundamental purpose of serving the people wholeheartedly and the fighting goal of realizing the noble ideal of communism, for otherwise we will lose our bearings and even be swept away by the mighty torrent of reform.

A communist should demonstrate his party spirit with, first of all, concrete action to firmly safeguard the party and the people's interests. Every communist should think and act on the basis of the interests of the party and the people; he should do so at all times, under all circumstances, and in any position. Although motivated by the intention to serve the people, errors of subjectivism, formalism, and onesidedness may be committed in work, obstructing the smooth progress of the party's undertaking. They are manifestations of impurity of party spirit. Those who, instead of striving for progress in work, vie with each other for higher positions, sacrifice principles for the sake of expediency and money, use position and power to seek personal gain, or engage in other unhealthy practices, thereby obstructing the undertaking of the party and the people, have lost their purity of party spirit or even totally forsaken their party spirit. All party members, party member-cadres in particular, must conscientiously undergo education on party spirit and temper and enhance their party spirit in the course of practice in order to become competent vanguards of the working class.

For 64 years Chinese Communists have struggled for the prosperity of the motherland and happiness of the people. Today the people are eager to see more Communist Party members with a strong party spirit, bravely and unselfishly standing on the forefront of reform, to promote reforms, voice true feelings, and do solid work, sharing weal and woe with the people and daring to oppose unhealthy tendencies and promote healthy tendencies. All communists must live up to the earnest expectations of the people, always bear in mind the historical task of the new period, and strive to be worthy of being communists.

SHANGHAI ON UNDERESTIMATING DOMESTIC PRODUCTS

OW251105 Shanghai City Service in Mandarin 0100 GMT 24 Jun 85

[Station commentary: "Why Should We Travel Thousands of Li To Look for Peaches?"]

[Text] A few days ago, a newspaper carried a report, entitled: Our Own Peachetrees Have Already Blossomed and Borne Fruit; Why Must We Travel Thousands of Li To Look for Peaches?

The report said: There is a scientific research unit in Shanghai that was succeeded in developing an advanced technology. However, some of the units in China simply refused to use it. They would rather import such technology from foreign countries.

Even worse in the following case: Some products were originally manufactured abroad. Now, they are being manufactured on Chinese territory by importing technology from abroad and forming joint ventures. However, some people still refuse to use them. They would travel thousands of li to conduct negotiations and buy the products from abroad with our foreign exchange.

I think the situation is different from long ago when some people claimed that the moon in foreign countries was rounder than in China. In those days, some people lamented that foreign goods were always better than Chinese goods. Now, since the goods are the same, what is the difference?

Since the peaches in our own yard are the same as those abroad, why must we look far and wide for what lies close at hand? It looks silly at a glance, but it is actually not so. Many of these comrades hold: The foreign exchange belongs to the state and does not come out of their own pocket. Why not go ahead with the purchase? However, one thing we must keep in mind. In doing anything, we must always take our national interests into consideration and remain industrious and frugal. This is the point from which we must proceed in doing everything.

ZHEJIANG ABOLISHES PREFECTURE, UPGRADES CITIES

OW030141 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 1 Jul 85

[Text] The State Council has approved the abolition of Jinhua Prefecture; the upgrading of Jinhua and Quzhou Cities into cities directly under the Zhejiang Provincial People's Government; and the implementation of a system of cities exercising jurisdiction over surrounding countries. The new leading bodies of the party committees of the two cities have also been announced.

The Standing Committee of the Jinhua City CPC Committee is composed of eight members. They are Comrades (Dong Zhaocai), (Guo Maoyang), (Ma Jitang), (Zhuang Qiaoying), (Song Yunxiang), (Chen Peide), (Sun Hongquan), and (Wang Wenzhang). (Dong Zhaocai) serves as the secretary of the city party committee, while (Guo Maoyang) and (Ma Jitang) serve as deputy secretaries.

The Standing Committee of the Quzhou City CPC Committee is also composed of eight members. They are Comrades (Chen Wenshao), (Yao Yun), (Shi Daxiao), (Xie Gachua), (Chen Zhangfeng), (Lu Songting), (Huang Xilan), and (Tong Xiaowu). (Chen Wenshao) serves as the secretary of the city party committee, while (Yao Yun) and (Shi Daxiao) serve as deputy secretaries.

HONGQI OPENS BRANCH OFFICE IN SHENZHEN

OW300737 Tokyo KYODO in English 0731 GMT 30 Jun 85

[Text] Hong Kong, June 30 KYODO -- China's Communist Party has opened a branch office of the official party organ RED FLAG in Shenzhen to step up theoretical research of various problems faced by the special economic zone, local newspapers reported Sunday.

The Shenzhen office is the first branch set up outside the capital of Beijing for the party theoretical monthly. In an opening ceremony held Saturday, chief editor, Xiong Fu, was quoted by the Hong Kong papers as saying that the task of the Shenzhen staff is to give a theoretical study to a chain of problems involving the country's special economic zones.

Shenzhen has seen faster economic development than in other special economic zones, but it also faces many problems, such as the flourishing foreign exchange black market, due partly to its closeness to capitalist Hong Kong.

Shenzhen seems to be of major concern for the party, as supreme leader Deng Xiaoping reportedly referred to the zone in a meeting with a foreign delegation in Beijing Saturday. Describing Shenzhen as an experiment, Deng reportedly said it would take more time before telling whether or not it was proceeding on the right path.

CPC APPROVES NEW PARTY LEADERS IN GUANGXI

OW211057 Beijing XINHUA Domestic Service in Chinese 1646 GMT 20 Jun 85

[Text] Nanning, 20 Jun (XINHUA) -- Through democratic election and approval by the CPC Central Committee, a new leading body of the Guangxi Zhuang Autonomous Regional CPC Committee was formed today. Chen Huiguang, a 46-year-old engineer, was elected secretary, and Wei Chunshu, Jin Baosheng, and Tao Aiyang [7118 1947 5391] were elected deputy secretaries of the regional CPC Committee.

The average age of the 12 Standing Committee members of the regional CPC Committee is 51.75, or 4.6 years lower than the previous Standing Committee members. The average age of the secretary and deputy secretaries is 54.75, or 4.9 years lower.

The Fifth Guangxi Zhuang Autonomous Regional CPC Congress was held 15-20 June. The congress elected the Fifth Guangxi Zhuang Autonomous Regional CPC Committee, the regional CPC Advisory Commission, and the regional CPC Discipline Inspection Commission. Huang Yun was elected chairman of the regional CPC Advisory Commission, and Wei Chengdong [7279 2052 2767] was elected secretary of the regional CPC Discipline Inspection Commission.

GUANGXI EDITORIAL HAILS CONCLUSION OF CPC CONGRESS

HK220333 Nanning Guangxi Regional Service in Mandarin 1130 GMT 21 Jun 85

[Report on 21 June GUANGXI RIBAO editorial: "Work With One Heart and One Mind To Promote Guangxi's Economy as Quickly as Possible -- Fervently Congratulating the Victorious Conclusion of the Fifth Guangxi Regional Party Congress"]

[Excerpts] The editorial says: The fifth Guangxi regional party congress has victoriously concluded under the close concern of all party members and the people throughout the region. We fervently congratulate the congress on its complete success.

This congress was guided by the CPC Central Committee's line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee. Based on the spirit of emancipating the mind, seeking truth from facts, uniting as one, and looking ahead, the congress reviewed and summed up the work in the 7 years since the fourth regional party congress, unified ideological understanding, and put forward the goal of invigorating Guangxi and striving for economic transformation in Guangxi as soon as possible.

In accordance with the demands of the four transformations, the congress elected the fifth regional CPC Committee and the regional advisory and discipline inspection commissions.

This congress is bound to play a major role in consolidating and developing the situation of stability and unity in the region, and in mobilizing the party members, cadres, and masses to work in concert to promote the four modernizations and stimulate economic growth in Guangxi.

The congress demanded that the region's total industrial and agricultural output value doubled by 1990 compared with 1980, and more than quadruple by the year 2000 compared with 1980. The party members, cadres, and masses throughout the region must resolutely respond to the call of the congress, strengthen unity, be keen on reform, and strive for a transformation of Guangxi's economy as quickly as possible.

The unity of the party and the unity of the people is the basic guarantee for victory in all our undertakings. To promote Guangxi's economy, we must depend on unity inside and outside the party throughout the region, and first within the party. Party members and cadres must regard the interests of the party and people and the four modernizations as the most important thing. They must not brood on personal grievances, profit, or loss. They must focus on the future and unite as one to look ahead. New and old cadres, local cadres and those from elsewhere, cadres of different nationalities, and working cadres and retired cadres must care for, cherish, and support each other, and learn each other's strong points to make up for their own deficiencies.

In strengthening leadership, the most important thing is to strengthen the unity of the leadership groups. On the foundation of the four basic principles, the leadership groups at all levels must unify their thinking and action under the guidance of the CPC Central Committee's line and basic principles since the 3d Plenary Session of the 11th CPC Central Committee. Strengthening unity must be regarded as the base point in carrying out every policy, doing every item of work, and handling every important issue.

On the question of employing cadres, we must insist on the conditions of the four transformations. We must avoid keeping close to some and aloof from others. We must promote great unity and avoid forming small circles. Leading members must do more in airing views to each other. When opinions on work differ, they must be laid on the table and a solution sought through democratic discussions. Veteran comrades who have retired should enthusiastically support the work of the new leadership groups.

In short, we must bear the overall situation in mind, eliminate all interference, and ensure that our words and deeds help to consolidate and promote stability and unity, so as to create an excellent construction environment for promoting Guangxi's economy as quickly as possible and making the region's people rich as soon as possible.

In transforming Guangxi's economy as quickly as possible, we must further emancipate our minds, base our efforts on reality, and creatively implement the CPC Central Committee's principle of opening up to the world and enlivening the domestic economy. We must focus on relaxing the policies and devote our main efforts to tapping our internal potentials. At present we must actively and steadily carry out reform of the economic structure, with the focus on the cities.

We must take full advantage of Guangxi's favorable condition in being close to Hong Kong and Macao and Southeast Asia and in having many Overseas Chinese compatriots, and vigorously do a good job in opening up to the world, bringing in foreign investment, and importing advanced technology. We must also promote economic and technological cooperation with fraternal provinces, municipalities, and regions, and stimulate cooperation between different parts of Guangxi, so as to speed our economic development.

Under the guidance of the correct line of the CPC Central Committee and the direct leadership of the regional CPC Committee, with the party members, cadres, and people of the region working hard in unity, we will certainly be able to clear away difficulties and obstacles on the way ahead and transform Guangxi's economy at the earliest possible date. A prosperous, affluent, civilized, and flourishing Guangxi is bound to appear.

WUHAN COMMENTATOR CRITICIZES PARTY MALPRACTICE

HK030325 Wuhan CHANGJIANG RIBAO in Chinese 17 Jun 85 p 1

[Commentator's article: "On Party Spirit and Sensibilities"]

[Text] One of the reasons for the prevalence of the unhealthy trends not long ago and for some people's failure to curb them was that some leading cadres cast the principle of party spirit to the winds, and regarded the concept of sensibilities as everything. Every time they opened their mouths, they said: "We must not go against sensibilities in doing things." They said so to allay people's criticism.

Of course, communists also attach importance to sensibilities. However, we attach more importance to party spirit. Communists have firm communist ideals and the fundamental purpose of serving the people wholeheartedly. They have strong sense of organization and discipline. All words and deeds of communists must conform with the principle of party spirit. Whether they should show sensibilities to certain matters or not is also governed by the principle of party spirit. In a word, they regard party spirit as everything. To them, party spirit is more important than sensibilities, and sensibilities should be subordinated to party spirit.

However, some leading cadres and Communist Party members attached importance to sensibilities at the expense of party spirit. Some leading cadres who abused their power to do business gave as gifts their power, relations, and goods monopolized by the state for purchase and marketing to companies which regarded them as "protectors." Some issued bonuses and distributed material objects recklessly at the expense of the interests of the state. To cultivate sensibilities, some people entertained guests and sent presents extensively. Those who had been entertained with delicacies, or had accepted gifts granted whatever was requested to show their reciprocity. As for those administrative officers responsible for receiving visitors, the expression on their faces was a "barometer of sensibilities." Whether their faces were beaming with satisfaction, or whether they were frosty in manner was determined by the personal gains they had obtained. Relying on sensibilities, some people rushed about busily to seek houses, higher positions, promotion to cadre rank, and admission to the party for their children, relatives, friends, and members of the "households with whom they had close relations."

Some even went so far as to harbor and connive at those who had violated law and discipline. They repeatedly gave the wrongdoers a way out so that they could go scot-free. All this was because of sensibilities.... By spreading the closely-woven net of sensibilities, they bound other people and themselves. Do such people still have party spirit? The answer is absolutely no!

Attaching importance to sensibilities alone at the expense of party spirit actually means abusing power to seek private gain. After providing you with raw and processed materials, you should give me "red packet," or a monthly "allowance for being an adviser." I gave a large quantity of bank notes to you, so don't forget to cast your ballots for me. After being entertained by us at the banquet, you should prevent calamities and bring good fortune to us. Otherwise, you will have a stomachache. I give you preferential treatment because of our intimate relations. Therefore, when I am in a difficult position, you must be merciful enough to help me. I treat your children as if I was their "father," you should also do so toward my children and relatives. The so-called relations of sensibilities among some people are purely relations of money. People who never met each other before may hastily establish their relations of sensibilities because of certain inducement such as a carton of imported cigarettes, a certain sum of money, a color television set, and so on. After that, the green light is turned on. They dare to do all things which harm the interests of the state.

The concept of sensibilities which regards sensibilities as everything turns the purpose of serving the people wholeheartedly into that of serving individual interests, relatives, friends, and "households of close relations." This concept harms the overall interests of the party and state, due benefits of the masses, undermines the communists' principle of being impartial, the work style of disregarding personal relationships, the spirit of all being equal in front of law, slackens the sense of discipline and organization of the party, abolishes the weapons for ideological struggle, and boosts some people's arrogance in making backdoor deals, violating the law and discipline, and such. If such unhealthy trends spread unchecked and all of us do things in accordance with relations of sensibilities, would the society not become a "circle of sensibilities" cut apart by numerous small groups representing their own narrow interests, and people contending for their personal interests? Under such circumstances, can there be any unified ideal, will, sense of discipline, and unified actions? Can people make concerted efforts to promote the four modernizations program and unite as one to fight for reinvigorating the Chinese nation?

Party spirit is the concentrated expression of the advanced character of Communist Party members. Whether one has a strong party spirit is reflected in his firm communist ideals, purpose of serving the people wholeheartedly, spirit of keeping in line with the CPC Central Committee, work style of going about things strictly according to the guiding principle and policy of the party, strict observance of the sense of discipline and organization, and all his words and deeds. To strengthen one's party spirit, an important thing he should do is that he should refrain from seeking private gain, disregard private relations, be evenhanded, and enforce the law impartially. The masses will see all this clearly and easily. This is also where the fundamental differences between the cadres of our party and government officials in the old society lie.

As far as Communist Party members and party cadres are concerned, as long as they still follow the aim of working for the interests of the vast majority, they should uphold the principle of regarding party spirit as everything, and treating party spirit as more important than sensibilities.

The principle of party spirit fully reflects the interests and desires of the broad masses of people. Attaching importance to party spirit means showing the greatest sensibilities for the broad masses of people. In this sense, attaching importance to party spirit is in keeping with the practice of attaching importance to sensibilities. Strictly speaking, those who disregard the interests of the people and the weal and woe of the masses, fail to "send charcoal in snowy weather" to those who are in difficult position, but try every means to work for individual and family interests, or "add flowers to the brocade" of the narrow interests of the "circle of sensibilities" actually betray the cause of the party and the interests of the people. They are merciless to the masses. Even in the "circle of sensibilities" where they facilitate their transactions, they only "mind their own business under various pretexts of sensibilities." It is because the screen of sensibilities, which disregards party spirit, very often, covers up various dirty deals of violating the law and discipline. Those who offer and take bribes might be pushed to the abyss of crime. They harm not only themselves, but also the state. Therefore, to effect a fundamental turn for the better in party work style and general moods of the society, ensure the smooth progress of reform and the prosperity of the four modernizations, and enable party cadres to retain their true qualities so that they will be able to "uphold their integrity," it is imperative to change the unhealthy trends of regarding sensibilities as more important than party spirit. We should establish a firm principle of treating party spirit as more important than sensibilities and subordinating sensibilities to party spirit. Let us exert our concerted efforts in this regard!

HUNAN CONGRESS DEPUTIES STUDY CHEN YUN SPEECH

HK040441 Changsha Hunan Provincial Service in Mandarin 2300 GMT 3 Jul 85

[Text] According to HUNAN RIBAO, a number of deputies attending the third session of the sixth provincial People's Congress have seriously studied Comrade Chen Yun's speech delivered at the recent national forum on exchanging experiences in straightening our party spirit. They held that this speech was very important and very appropriate and provided strong guidance.

Deputy (Jiang Houben), deputy manager of the No 6 provincial construction company, said with feeling after reading the speech: We party-member cadres must do everything possible to serve the people, always remember the ultimate goal of communism, always remember that the party's cause is above everything, resolutely expose and resist new unhealthy trends, and ensure that the reforms will develop in a healthy direction. The practice of bidding for contracts in the construction industry embodies socialist competition and does not mean indulging in capitalist methods, with each trying to cheat or outwit the other.

(Wang Shanning), a deputy from the Xiangtan manganese mine, said: Comrade Chen Yun's speech is very timely. At present certain tapes and tabloids preaching pornography are seriously poisoning young people and juveniles. We must appeal to everyone to be concerned for educating youths and juveniles. We appeal to the province to rapidly ban pornographic tapes and tasteless and harmful tabloids.

GUIZHOU MEETING DISCUSSES RECTIFICATION TASKS

HK040615 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 3 Jul 85

[Excerpts] The party rectification guidance group of the Guizhou Provincial CPC Committee held a provincial party rectification work conference on 25 and 26 June to arrange the work in the second group of units in second-stage party rectification. The meeting decided that rectification in the second group of the second stage will get under way at the beginning of July. It is necessary to focus on solving the problems of strengthening the building of the county CPC committee leadership groups, improving the ideological and political qualities of the party members, and grasping the work of checking on people of three categories.

The meeting decided after study that the scope of the second group of the second stage will mainly embrace the party and government organs of counties, special zones [te qu], and city districts, together with the party organizations of all enterprises, undertakings, and units that have not yet started rectification. As to whether rectification at district [qu] level should be carried out simultaneously with that at county level, the prefectural and city CPC committees should decide after consultation with the county CPC committees.

The meeting pointed out: The basic tasks of party rectification in this group are, as before, to unify thinking, rectify work style, strengthen discipline, and purify the organization. The party committees and the units carrying out rectification must solve the following three problems in light of the actual situation in the province:

1. Strengthen the building of the county CPC committee leadership groups. While carrying out rectification, these leadership groups must seriously study the documents, continue to emancipate their minds, unify their understanding, and develop firm confidence and resolve for reforms.
2. It is necessary to grasp the work of improving party members' ideological and political qualities and bringing into full play their vanguard and model role as a fundamental issue in party rectification. We must conduct education in ideals, discipline, the situation, and reforms, in negating the Great Cultural Revolution, in basic knowledge of the party, and in the criteria for party members.
3. Get a good grasp of checking on people of three categories throughout rectification, and do a good job in building the third echelon.

The meeting held: Party rectification in this group of units involves broad fields and many party members; conditions are rather complex. It is imperative to strengthen leadership over the work. The party committees must make careful arrangements and provide appropriate guidance. It is necessary to persistently base the effort on reality, follow the principle of seeking truth from facts, and creatively implement the spirit of the central and provincial CPC committee documents, so as to ensure marked success in party rectification.

WU JINGHUA ON UNDERSTANDING XIZANG 'AFRESH'

HK220515 Lhasa Xizang Regional Service in Mandarin 1130 GMT 21 Jun 85

[Excerpts] Xizang Regional CPC Committee Secretary Wu Jinghua made an important speech at a regional forum on enterprise reform on 21 June. He said: We must first affirm the great achievements, gained under party leadership, of the units, systems, and enterprises under ownership by the whole people in the past several decades in advancing from nonexistent to existent and from small to large. They have made very great contributions to Xizang's unity, prosperity, and civilization.

Wu Jinghua stressed in his speech: We must understand Xizang afresh. He said: The Central Committee Secretariat convened the second forum on work in Xizang in March 1984.

Comrade Hu Yaobang put forward a very important idea, calling for a fresh understanding of Xizang. Comrade Bo Yibo also quoted a line of poetry on this matter. We comrades working in Xizang also have to understand Xizang afresh. From the dialectical viewpoint, things are changing all the time, and our understanding has to keep pace with the changes as times goes by.

An important issue facing every citizen in Xizang now is that of opening up to the world. We must understand this issue afresh. From the leadership angle, the correctness or otherwise of line or policy decision represents the basis.

Comrade Wu Jinghua said to the leading comrades present: I put this demand to you today: How is your system or unit opening up to the world? How is it meeting the demand of keeping abreast of the era? I ask you to help me to be a good party committee secretary. How should we set about grasping work in Xizang? I hope you will write to me in 1, or 2, or 3 months, half a year, or 1 year, discussing how to promote work in Xizang, how Xizang can catch up with the advance of the age, and how the Tibetan nationality can enter the ranks of advanced nationalities as soon as possible. Please give me your ideas and views.

Comrade Wu Jinghua pointed out: In order to understand Xizang afresh, we must step up research work. No matter how great our ability, our intelligence and our time are limited. We have to rely on think tanks. Without a tank, without a group of research personnel at his side putting forward plans and schemes, it is not easy for a leader to elevate his understanding of the issues to a certain breadth and depth and to arrive at a correct policy.

I hope the social science institute will establish the economic research center as soon as possible. It should carry out research from economic theory to economic ideology, management, and policies. At the same time, I suggest that all departments step up economic research.

BUDDHIST OFFICIAL VIEWS RELIGION IN XIZANG

HK040850 Beijing CHINA DAILY in English 4 Jul 85 p 4

[By Tang Jiaodong]

[Text] Xigaze, Tibet -- Prayer wheels, yak-butter lamps, the fragrance of incense and above all, the wafting murmurs of Buddhist mantras seize the senses of those who enter the glittering Tashilhunpo Monastery. Standing at 4,000 metres above sea level, like an awesome fortress at the foot of a mountain, the monastery was founded in the 15th century by the first Dalai Lama.

Its 87-feet tall Champa, a Buddha of the future and one of Tibet's most venerated deities dominates religion in Xigaze, the second largest city in the region. Festivals evoke a richness of sight and sound. Lama musicians blow intricately decorated conch shell horns and play rhythmic drum beats while dancers in bright costumes and painted masks gyrate with centuries-old ritual.

It's not unusual to see 700 lamas sitting in the opulent Grand Chanting Hall in Tashilhunpo at noon everyday. A chanting session may last up to three hours.

"The party's policy is very clear: Tibetan people have their freedom to worship," said Living Buddha Chemorin Dantsencele, presently vice-chairman of the Tibetan Buddhist Association. "But those who choose not to be religious are also tolerated."

Chemorin, 37, wearing traditional maroon wool and yak-skin boots with upturned toes gave CHINA DAILY an interview on a wide range of religious issues.

As a reincarnated Living Buddha, he entered the Sera Monastery, the highest Buddhist Academy in the world, at the age of five. His tailored robe connotes his noble lineage.

He said: "The autonomous region re-opened the Jokhang Monastery, which was built in 641 AD, in 1979. It started to rebuild monasteries and religious gathering places in 1980. So far, 75 monasteries have been restored or renovated in the state-led effort and 13.9 million yuan has been spent."

The state this year has allocated 5 million yuan to the renovation effort. The regional government plans to rebuild 229 monasteries by the end of 1989.

The three grand monasteries in Lhasa -- Jokhang, Sera and Drepung -- are now maintained both as museums and places of worship. All have been renovated. The Gadan Monastery, a gigantic array of temples rising from the mountains east of Lhasa, also reopened to pilgrims early this year.

In addition to illustrious spots, 141 religious gathering places have been established for Tibetan worshippers living in remote areas.

According to Chemorin, the printing of Buddhist sutras is progressing steadily in Tibet. There are now more than 150 versions of Buddhist scriptures on sale. Among them Da Zang Jing (the Great Tripitaka) and Xiao Zang Jing (the Small Tripitaka) -- both printed in the Tibetan language -- are in great demand at home and abroad.

To quicken the pace, the regional government allocated 500,000 yuan this year to subsidize creation of a new Buddhist Association Publishing House.

Chemorin said there are three copies of the ancient printing blocks of the Great Tripitaka in Tibet. The most treasured copy, with a complete set of 48,000 wood printing blocks, were engraved during the reign of the 13th Dalai Lama. Carefully protected by the regional government during the "Cultural Revolution", it has been returned to the Buddhist Association recently.

Before reforms in 1959, Tibet was run by religious rulers and nobles. With one out of every three men spending at least part of his life as a monk, the region was rampant with monasteries, some filled as many as 7,000 members.

Today there are about 8,000 lamas and nuns. The rest have returned to secular life. New lamas are constantly being trained, according to Tsengerla, abbot of the sacred Sera Monastery.

Tsengerla, 83, is a Mongolian national. He has lived in Sera continuously for the past 57 years and is considered the most eminent Buddhist scholar in Tibet. "All the monasteries in Lhasa have been resurrected and are now open to the public every day," he said. "Jokhang Monastery has received more than 4 million pilgrims and visitors since 1980, 10,000 of them foreigners."

The Tibetan Buddhism College is formally opening in September, with 146 students set to enroll.

This is the first Buddhist college in the history of Tibet. It has six faculty members, four of them senior lamas. The programme takes 10 years. Age of students varies from 13 to 25. The state foots all their expenses. After graduation they will be assigned to monasteries in Tibet.

CNA RELAYS WARNING ON OVERSEAS RENMIN RIBAO

OWO40616 Taipei CNA in English 0246 GMT 4 Jul 85

[Text] Taipei, July 3 (CNA) -- The Chinese-language UNITED DAILY NEWS, in its Wednesday editorial, called on Chinese abroad to be aware of the Peiping regime's new political conspiracies inherent in its recently announced intention to distribute overseas editions of its PEOPLE'S DAILY.

The Taipei paper urged Overseas Chinese to keep their eyes wide open and expose the Chinese Communist's united front intrigues. The paper called it an unprecedented move by the Peiping regime to suddenly announce the issuance of the PEOPLE'S DAILY overseas editions in major areas of the world.

The UNITED DAILY commented that the Chinese Communists have normally publicized their campaigns abroad through some left-wing channels. Even when it is necessary for them to do the publicity by themselves, they would disguise themselves as left-leaning or pro-communist factions.

In so doing, the paper said, the Chinese Communists may remain flexible in terms of their speeches and news reports, particularly in the areas of Hong Kong and the United States.

It may look different coming out in these new and different areas of the world but the PEOPLE'S DAILY overseas editions pursue the same objective, the UNITED DAILY NEWS said. "The real motive is designed to follow the Chinese Communist's route and policy, publicizing the Communist's united front conspiracies," the paper noted.

Discussing why the Chinese Communists are introducing overseas editions of the PEOPLE'S DAILY when so many left-wing papers already exist in Hong Kong, the UNITED DAILY said that the Peiping regime fostered the notion that those left-wing papers were private and nurtured their private nature so as to deceive public opinion in Hong Kong.

The Taipei publication predicted that the Chinese Communists will invest more financial and human resources for the promotion of the PEOPLE'S DAILY overseas editions.

TAIPEI ON HU YAOBANG'S THREAT TO USE FORCE

OWO30535 Taipei Domestic Service in Mandarin 2300 GMT 1 Jul 85

[Station Commentary: "Hu's Talk and Somniloquy"]

[Text] Hu Yao-pang, general secretary of the bandit CPC, has often made a fool of himself in the international community. This is why he is given the nickname Hu Nao [running wild]. So what he says is nonsense. He is frivolous, impetuous, and indiscreet. Hu Yao-pang, about 70, has fooled around in the bandit party for more than 50 years. He was a little red devil in his youth and is now general secretary of the bandit party. Experienced in struggle, he should have mellowed. However, he received little regular education. As a result, his knowledge is limited. Nevertheless, he should be experienced in observing things. He has often made a spectacle of himself because of his rashness and limited knowledge. This is why Teng Hsiao-ping does not trust him, but uses him as a thug and accomplice.

In a recent interview with a Hong Kong magazine, Hu Yao-pang said that the possibility of using force against Taiwan would not be ruled out. He said: If peaceful reunification cannot be achieved in 4-5 or 7-8 years when the economy and the situation on the mainland has improved, other means to accomplish this will be considered.

This implies an armed threat, which is consistent with the threat of an economic blockade against Taiwan made by the bandits 3 months ago. Such talk by Hu Yao-pang is not only nonsense but somniloquy. Why did he make such a threat at this time? Mainly, because he sought to resolve difficulties on the mainland. The reasons for this are:

1. Whether the Teng Hsiao-ping faction can maintain power depends entirely on whether it can overcome its economic setbacks. The economic reform has now resulted in corrupt political morals because of price fluctuations, financial deficits, and corruption at all levels. The government [cheng fu] has somewhat (?reorganized) itself in order to prevent its ulcers from worsening. Under such circumstances, they cannot but play down their united front slogans and try to prevent the tendency toward freedom from spreading because it will affect their ruling power.
2. A personnel change in the puppet regime at the central and local levels is taking place. Army cadres are being checked and readjusted in an all-round way. People are paying close attention to a possible chain reaction that might occur after military bosses are changed. In particular, Hu Yao-pang made the threatening remarks in an attempt to distract the people's attention from the personnel changes, on the mainland, check the spread of rumors and speculation in this regard, and prevent an internal division after the personnel changes.
3. Since last September, the Communist bandits have made peace overtures to us on several occasions. At the same time, they have pestered or even blackmailed the United States on the issue of U.S. arms sales to the Republic of China. Such interference concerning the Taiwan Relations Act has disgusted U.S. Government officials and the American people. The United States has indefinitely postponed its warships' port calls to the mainland, and the Chinese Communists have recently changed their puppet ambassador to the United States. All these have something to do with their interference. Reflecting his rashness, Hu Yao-pang has revealed his ugly features.

Our government has long maintained explicit statements on the communist bandits' peace overtures and united front tactics. After clamoring about so-called peaceful reunification for some time, they will follow up with a threat to use armed force. They alternate the former with the latter in an attempt to put international pressure on us and to divide us. This is an open conspiracy. Since the puppet regime's problems have now worsened, Hu Yao-pang had to make his threat earlier.

The Chinese Communist puppet regime's reforms and opening to the outside world are an expedient measure to seek economic aid from abroad. Unexpectedly, however, its ideological foundation has been shaken as a result of carrying out reforms and opening to the outside world. Yu Yao-pang is supposed to be Teng Hsiao-ping's successor. The Communist ideological foundation has been shaken, and the bandit party's economic strategy has been foiled by a trend toward democracy and freedom. Hu Yao-pang has [words indistinct] and made too many enemies in the Army. In such circumstances, how could he resort to force? And who would be willing to die for Marxism-Leninism and its system? This shows that Hu Yao-pang's nonsense is nothing but somniloquy designed to relieve his current difficulties.

TA KUNG PAO VIEWS REAGAN-GORBACHEV SUMMIT

HK040414 Hong Kong TA KUNG PAO in Chinese 4 Jul 85 p 2

["Political Talk" by Shih Chun-yu: "U.S.-SOVIET Summit Set for November"]

[Text] Conference Held After 6-Year Interval

The U.S.-Soviet summit is scheduled to be held in Geneva for 3 consecutive days beginning on 19 November. It has been 6 years since Carter and Brezhnev held the last Geneva [as published] summit and signed SALT II in June 1979. Such a meeting between the two parties will have a profound influence on the world's future development.

Various countries welcome the realization of the U.S.-Soviet summit, though they are fully aware that both parties still have contradictions and hold different views. Nevertheless, as long as the two parties talk calmly, this will more or less promote mutual understanding, which is much better than confronting each other and frequently waging a cold war. In particular, there have been new changes in the Kremlin leadership. Gromyko, who is famous for his uncompromising stand and contention with the United States, has stepped down from the office of foreign minister. He has been replaced by Shevardnadze. It is generally believed that the power over handling Soviet foreign affairs will in fact fall into Gorbachev's hands in the future. This may symbolize a turning point in improving the U.S.-Soviet relations or East-West relations.

Change in Rigid Diplomacy?

Before attending the U.S.-Soviet Geneva summit in November, Gorbachev will first visit France and will hold talks with the French president. Judging from his "smiling diplomacy" pose, which was begun in late December last year when he visited Britain before assuming his present post, this marks the beginning of "Gorbachev-style diplomacy" and the end of the rigid Soviet diplomatic line, which has lasted for 28 years.

Of course, in a country like the Soviet Union, the replacement of one or two leaders does not signify a change in policy. Judged by the recent past, however, the Soviet leadership has reached the stage of replacing the old with the new. After assuming power, Gorbachev has been determined to reform the economy, to overcome a bureaucracy which is full of age-old malpractices, to stress quality rather than quantity in the economy, and to improve the people's level of consumption. In other words, the Soviet Union will, from now on, concentrate its major efforts on dealing with domestic issues in order to accomplish reforms. Therefore, it is reasonable that, for some time to come, the Soviet Union will strive to ease East-West relations.

Star Wars Is the Most Prominent Contradiction

As for the United States, Reagan delivered a speech in January last year calling for reconciliation with the Soviet Union. In September last year, he then expressed his hopes to comprehensively improve U.S.-Soviet relations in his speech at the United Nations. In March this year when Gorbachev took office, Reagan further sent him a letter calling for holding a summit. This series of "peace offensives" was of course dismissed by the Soviet Union as merely propaganda. However, it is undeniable that the United States indeed wished to settle some questions through talks, so as to ease East-West tensions. Otherwise, his European allies would never agree.

Now, the most prominent U.S.-Soviet deadlock is the star wars plan. The United States insists on carrying it out as scheduled. But the Soviet Union has stressed that as long as the United States pursues this plan, there will be no way to carry out nuclear disarmament. People will pay attention to how the two parties break this deadlock, so they will keep in contact before the summit convenes in November. It is believed that as long as the two parties are sincere, they must be able to come to a compromise.

HSIN WAN PAO VIEWS UPCOMING U.S.-USSR SUMMIT TALKS

HK041333 Hong Kong HSIN WAN PAO in Chinese 4 Jul 85 p 1

(["New Talk" column: "The 11th Round of U.S.-Soviet Summit Talks"])

[Text] The United States and the Soviet Union have separately announced that they have reached an agreement on the summit talks. The time, early November; the place, Geneva.

On the day the news was announced, the Soviet Union changed its foreign minister. Gromyko, who has held this post for about 30 years, was appointed chairman of the Presidium of the Supreme Soviet and he was replaced by a new foreign minister, Shevardnadze.

The following day is American Independence Day. U.S. propaganda organs all over the world have released President Reagan's message. The Supreme Soviet of Soviet Union has sent a congratulatory telegram to the United States.

It has been reckoned that the talks to be held between Reagan and the Soviet leader Gorbachev in November are the 11th round of talks between the leaders of the two countries since the end of World War II. Forty years have elapsed since the end of the war. Thus, a round of talks has been held once every 4 years on average.

Reagan has been in office for more than 4 years and yet he has achieved nothing in this respect. Among the postwar U.S. presidents, he is the only one who has not met the highest Soviet leader.

Last year, during his presidential campaign, there were people who criticized his foreign policy by capitalizing on this fact. Since the beginning of his second term, he has been trying to sound out people about this. In March of this year, Gorbachev came to power. It has been rumored for a long time that there was going to be a summit meeting between the United States and the Soviet Union. However, it was not until the second half of the year that things have been made certain.

At first, Reagan put on airs, expecting Gorbachev to attend the UN General Assembly session this September. Gorbachev could go to Washington or Reagan could go to New York for their meeting. His main idea was to make Gorbachev cross the Atlantic.

However, as a result of Reagan's insistence on the execution of the "star wars" program, the U.S.-Soviet disarmament talks have again reached an impasse. Thus, Gorbachev is unwilling to leave his country for the United States and has decided not to attend the UN General Assembly session.

It has been announced that the talks are going to be held in Geneva. It seems that this is of some significance. Although Geneva is a neutral place, it is Reagan (not Gorbachev) who has to cross the Atlantic. This merits our attention.

Before the United States and the Soviet Union made their announcement, the Soviet Union and France announced that Gorbachev was going to visit France and hold talks with Mitterrand, France's Socialist president, in October. Mitterrand's precedence over Reagan could be a special case. This shows that the Soviet Union still looks forward to the use of the West European governments and peoples as part of its flanks in negotiating with the United States. Yesterday, the Supreme Soviet sent a telegram to the United States to congratulate it on its Independence Day. However, the choice of words in the telegram shows that the wide gap between the two countries has not been narrowed by the approach of the summit talks. In addition, the telegram shows indifference toward Reagan.

Since the U.S. and Soviet leaders are going to hold summit talks, they should not merely exchange greetings. They should solve some practical problems. Thus, the next 4 months, that is, the preparatory period, should be of considerable importance. Which things should be discussed in advance and be signed at the talks? Which things cannot be decided in advance and must be decided by top leaders? On which issues can their stands not become more similar? These problems had better be clarified in the next 4 months.

From a long-term point of view, since both the Soviet Union and the United States want to achieve global supremacy, conflict and contradictions are inevitable. However, there are problems in society which require their joint efforts to solve. Thus, it is not unlikely that they will compromise on certain issues.

WEN WEI PO EDITORIAL ON SOVIET LEADERSHIP CHANGES

HK030921 Hong Kong WEN WEI PO in Chinese 3 Jul 85 p 2

[Editorial: "Reshuffle in CPSU Power Structure"]

[Text] The removal of Romanov from the CPSU Politburo and Central Secretariat, the appointment of Shevardnadze, former first secretary of the Central Committee of the Communist Party of Georgia, to be a full member of the Politburo, and the removal of Gromyko from the post of foreign minister and his promotion to be president of the Supreme Soviet all constitute the latest and most important personnel changes in the top Soviet leadership.

Since Gorbachev became general secretary of the CPSU with an image of a new-type leader, major personnel changes in the Soviet leadership have been regarded as inevitable. This is not only because many Soviet leaders are old and have become senile, but also because Gorbachev shows a new political tendency toward reform and innovations. As soon as he took office, Gorbachev immediately called for economic reforms. He advocates the expansion of enterprises' decision-making powers and responsibilities, the adoption of a collective contract system, the reform of the pricing system, and so on. His ideas are summarized by Western analysts as "modernization, economy, and creativity." Recently he even rescinded the draft economic plan for the 5 years between 1986 and 1990 to show his determination to carry out a thorough economic overhaul. In the political and ideological field, he has begun to reappraise some historical issues. For example, on the occasion of commemorating the 40th anniversary of the victory over Nazi Germany, he praised Stalin's meritorious service and included Khrushchev in the namelist of "outstanding" Soviet leaders. By dealing with the historical issues, Gorbachev intended to draw a just and objective conclusion from history so that the Soviet leadership may free itself from the historical nightmare and concentrate on the reality and the future. In addition, Gorbachev is also trying to make new breakthroughs in the diplomatic field by making some overtures to China and giving the United States an opportunity to resume negotiations and to restore detente.

The new political tendency initiated by Gorbachev will inevitably require new personnel changes in the leadership.

After taking office in March, Gorbachev announced the appointment of three new Politburo members in April. They are Chebrikov, chairman of the State Security Commission, who was changed from a candidate member to a full member of the Politburo; Ligachev, head of the CPSU Central Committee's Organizational Department; and Ryzhkov. The latter two were both maneuvered into voting membership on the Politburo from just being members of the Central Committee. As everyone knows, the Security and Organizational Departments are the most important ones in the power struggle. The promotion of the three people in charge of these vital organs consolidated Gorbachev's power base and paved the way for further personnel changes in the leadership.

As expected, high-level personnel changes began not long after. Three ministers were removed from office. Vice Premier Bodyul was removed. Strautmanis was removed from the presidency of the Latvian Supreme Soviet. The resignation of Meshkov, first secretary of the Orel Oblast CPSU Committee, was approved. Meanwhile, an all-round anti-corruption campaign was staged in the Uzbek SSR.

What should be particularly mentioned about the current reshuffle is Gorbachev's recent reprimand of the responsible people of the petroleum and chemical industrial ministries. They were in fact looked after by Romanov, a Politburo member and central secretary long in charge of industry. Inquiring deep into the problems in industrial work, one will certainly trace them to Romanov. So, the removal of Romanov from office was just a matter of time.

Romanov resigned "on the grounds of poor health." However, he is just 62 years old and is quite young among his Politburo colleagues. He was once regarded as one of the major candidates who might succeed Chernenko as general secretary. No matter what pretext has been used, the removal of Romanov from office means the consolidation and expansion of Gorbachev's power.

The highest decision-making organ of the CPSU is its Politburo, which has 13 full members. Aside from Gorbachev, the four newly appointed members are Chebrikov, Ligachev, Ryzkhov, and Shevardnadze. In addition, Gromyko's change of position is particularly noteworthy. Gromyko has been in charge of foreign affairs for 28 years and has not been affected by previous personnel changes in the top leadership. This time, his departure from the Ministry of Foreign Affairs and his promotion to president of the Supreme Soviet not only means that one of the old guard is to give way to other people, but also means that he is gloriously promoted for his support of Gorbachev. Gromyko's change of position is also favorable to Gorbachev in his efforts to form a power center which he can control. This situation will also be favorable to the implementation of the reform line in the Soviet Union and to the readjustment of its foreign relations. When the CPSU holds its national congress next February, the power structure, line, and prospects in the Soviet Union will become clearer.

HSIN WAN PAO ON GROMYKO'S NEW APPOINTMENT

HK031335 Hong Kong HSIN WAN PAO in Chinese 3 Jul 85 p 1

["New Talk" column: "The Soviet Union Following Gromyko's Transfer to Another Post"]

[Text] Yesterday, soon after we noted the second change in the top Soviet leadership, it was reported in the evening that there had been a third change. Gromyko, who held the post of foreign minister for 27 years, was elected chairman of the Presidium of the Supreme Soviet, that is, head of state.

This arrangement is quite unexpected to most people, because after Brezhnev concurrently took over the posts of general secretary of the CPSU Central Committee and head of state in 1977, his successors, Andropov and Chernenko, also held both posts concurrently. For this reason, it was widely expected that Gorbachev would follow his predecessors. However, this forecast has turned out to be wrong.

After Gorbachev's assumption of power in March, in April the first change in the Soviet Union's top leadership took place. At the CPSU Central Committee plenary session, three men were promoted to full membership in the Politburo. One was previously an alternate member of the Politburo, while the others are former members of the CPSU Central Committee Secretariat. Of the latter two, Ligachev was regarded as Gorbachev's right-hand man.

The second change took place the day before yesterday. Romanov was removed from the Politburo and also lost his position as a member of the Secretariat, which he had been holding concurrently. Non-Soviet media see this change as an act by Gorbachev to get rid of dissidents.

The third change, which occurred yesterday, was different from the former two changes. It was Gromyko who nominated Gorbachev at the CPSU emergency meeting to succeed Chernenko after the latter's death. This time, Gorbachev, in turn, nominated Gromyko at yesterday's Supreme Soviet session to be head of state. This shows that the two men are on quite intimate terms with each other although Gorbachev is 21 years younger than Gromyko.

The purpose of a leader concurrently holding both the posts of CPSU Central Committee general secretary and head of state is to make it convenient for him to deal with foreign heads of state or heads of government. This time, in order to provide Gorbachev with the same facility, he still was elected member of the Presidium, although not chairman of the Presidium.

What is the real significance of Gromyko's quitting the Foreign Ministry and assuming the post of head of state? There are two different views on this question.

The first view holds that Gorbachev will take over foreign affairs. Those who hold this view point out: Gromyko, who has held the post of foreign minister for 27 years, has overextended his power in the field of foreign relations in recent years. Both his party long-standing and prestige have made it inconvenient for Gorbachev to intervene in foreign affairs. Therefore, the present arrangement is to make Gromyko a mere figurehead. The newly appointed foreign minister, Shevardnadze, who has no experience in the diplomatic field, will have to work under the control of Gorbachev. Thus Gorbachev will be able to adopt new lines and take new actions more readily.

Another view holds that this is an unusual honor which Gorbachev has extended to Gromyko. The purpose of the present arrangement is not to wipe out Gromyko's merits and influence on the Soviet diplomatic line. Gromyko remains a member of the Politburo and still keeps the right to speak on foreign relations. Therefore, one should not expect any substantial change in the foreign policy of the Soviet Union.

Judging from the initial reaction to the announcement of Gromyko's new appointment, we can see that there are more people holding the first view than those holding the second view.

Chinese Vice Premier Yao Yilin is to depart in 3 days for the Soviet Union for talks which will not only involve economic issues but also the political aspects of Sino-Soviet relations. Moreover, how will the U.S.-Soviet disarmament talks in Geneva continue? What will be the outcome of the forthcoming U.S.-Soviet summit in November which has just been disclosed? The development of all these events will tell us whether there will be any change in the Soviet Union's policies following the above three changes in its top leadership.

CHANGES IN SOVIET FOREIGN POLICYMAKING VIEWED

HK050439 Hong Kong WEN WEI PO in Chinese 5 Jul 85 p 2

[Editorial: "The Soviet Foreign Policymaking Stratum and Its Policies"]

[Text] When Gorbachev took over the post of general secretary of the CPSU Central Committee and elaborated his diplomatic program, consisting of quite a few new ideas, people doubted whether he could carry out his program smoothly, because the actual control over the CPSU's foreign policies was then held by the senior diplomat Gromyko.

Now that the latter has gloriously assumed the post of chairman of the Presidium of the USSR Supreme Soviet, nobody will doubt that Gorbachev has acquired the real control over foreign affairs. That Gorbachev will personally carry out his foreign program was also proved again later by the Soviet Union's announcement that Gorbachev will meet U.S. President Reagan in November after a visit to France.

This development does not mean that Gromyko has lost his right to speak on foreign affairs. As head of state he will take charge of diplomatic activities at the top level; while as a member of the Politburo he will be engaged in foreign policymaking and undertake the role of adviser. Meanwhile, it must also be noted that Ligachev has been appointed chairman of the Foreign Affairs Commission. This rising figure, who has entered the Politburo recently and taken over the organizational party work department of the CPSU Central Committee, obviously also has the right to speak on foreign relations. Certainly, Shevardnadze, who has been appointed foreign minister while holding the title of Politburo member, will become the actual person of increasing importance in executing foreign policy, although he is a new hand in this specific area. The above-mentioned figures will be responsible for the future development of the foreign policy of the Soviet Union.

In connection with the emergence of this foreign policymaking stratum of the CPSU, observers have made the following forecasts: 1) As Gromyko was one of the Soviet leaders who made the decision leading to the split between the Soviet Union and China, Gromyko's relinquishing his power will be advantageous to a detente in Sino-Soviet relations. 2) Shevardnadze is an enlightened and friendly man, and his appointment to the Foreign Ministry will help the Soviet Union build up its new image in the international community. 3) Gorbachev's announcement of his visit to France and meeting with Reagan has displayed the new style of Soviet diplomacy.

What do the "new image" and "new style" mean?

It is really hard to imagine that Gorbachev's assuming power will give rise to a drastic change in the Soviet Union's foreign policy, which is determined by the country's international goals and strength and formulated collectively by the Politburo. Therefore, there will be no major change in the fundamental orientation of its foreign policy. The Soviet Union will continue to scramble for global hegemony with the United States and to use the "detente" strategy in pursuit of its strategic goals. However, judging from Gorbachev's speeches on foreign relations, one can, after all, find certain changes.

Gorbachev has sharply criticized the U.S. "star wars" plan and accused Reagan of poisoning the atmosphere regarding international relations by arms expansion and war preparations. However, Gorbachev has also taken the initiative in facilitating contacts with the United States, or even tried to arrange a summit meeting -- he is using the strategy of "detente" to deal with the United States.

While keeping an eye on changes in U.S.-Soviet relations, Gorbachev has paid more attention to expanding the Soviet Union's relations with China and Western Europe. He is putting stress on the possibility of improvement in Sino-Soviet relations, is making France the first country he is to visit since he assumed office, and is seeking a new breakthrough in the Soviet Union's relations with Western Europe.

Applying the strategy of detente in a flexible way and paying more attention to the role of Western Europe and China are probably the main features of the new image and new style of Gorbachev's diplomacy.

The foreign strategy of the Soviet Union is linked to its domestic policies. Faced with longstanding economic stagnation, the Soviet Union is making preparations for an overall reform, which requires a relatively stable and relaxed international environment. Supposing the United States and the Soviet Union step up arms expansion, the U.S. superiority in the fields of economy and technology will possibly effect a change in the relative balance in military strength between the two countries. If the Soviet Union is to scrape along, it will be difficult for the country to realize its plan for economic reform. Therefore, seeking detente is not only Gorbachev's foreign strategy but also the Soviet Union's diplomatic goal at the present stage.

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